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## THE HALL CARBINE AFFAIR







SIMON STEVENS

after a photograph taken in Mexico in May 1872, and discovered through  
the courtesy of Miss Edith Harriet Wallace, of Barnet, Vermont.

# THE HALL CARBINE AFFAIR

## *A Study in Contemporary Folklore*

by  
R. GORDON WASSON

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BY R. GORDON WASSON

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## PREFACE

Everyone who is acquainted with biographical material published about the late J. Pierpont Morgan, founder of the banking house, will recall the episode in the Civil War in which he is alleged to have sold to the Government some condemned arms at a profit that would have been exorbitant for first class weapons.

Certain writers have charged, and say they have proved, that Morgan got his start, or was helped to get his start, by swindling our Government in this transaction. They allege that he bought from the Ordnance Bureau thousands of obsolete carbines, and then re-sold these identical arms to troops in the field for many times more than he had paid for them. They go on to assert that these defective arms shot off the thumbs of the Union soldiers who used them. Finally, they say that in the face of a public outcry the banker pushed a claim against the Government for payment.

In this book we shall prove that the alleged transaction, insofar as the case against Morgan is concerned, is legend, not history. We shall show that the case against Morgan was built up by these modern writers through the suppression of true evidence, the suggestion of false evidence, garbled evidence, and plain misquotation from documents.

Part I is a detailed narrative of what actually took place. Part II, after recapitulating the facts, relates the growth of the Hall carbine legend. For the reader who finds the minutiae of Part I burdensome, Part II will tell the whole story.

Legends are often history processed to point some moral. They are misleading as history, but they help us to understand the people who invent and believe in them. Usually the world recognizes as legends only the outgrown fables of earlier generations. But this is merely because,

believing as we do our own legends, we do not recognize them for what they are.

It is proposed in this little essay to dissect sinew by sinew, and nerve by nerve, a living legend, a legend born in our own generation and until 1939 palpitant with the vitality of unchallenged acceptance. This specimen of misbelief will be tested as real history is tested. In its own right it is only a modest little yarn, but we shall scrutinize it as rigorously as if it made all the difference. Its start is an obscure happening of some three-quarters of a century ago, of no great importance then and of none at all for a long time after, until it was taken hold of, clothed upon, and finished off with horns, hoofs, and tail as a bogey-man, by a school of writers who call themselves historians and serious thinkers.

Starting with nothing, or as good as nothing, these molders of opinion by a very act of creation have built up from it a history, a moral, a warning, an economics, and in reverse a vision of a new and better world. A mouse having labored, a mountain was born. Legends that take hold on the popular imagination are the ones that tell the people what they wish to believe, and this legend took hold. Thus fact became fiction, and fiction History: a little incident, released by uncorking the bottle, magically swelled before our very eyes into a Horrible Example, solemnly authenticated as Truth by our college of augurs.

Only a trifle, you may say, to give so much time to. But the history of this legend will point a moral: a moral that the authors of the legend surely never dreamed of!

R. G. W.

New York  
July 29, 1941.

## PREFACE TO THE REVISED EDITION

Though no effort was made to draw public attention to this book, three learned quarterlies reviewed the first edition and there developed a slow, steady demand for it that could not be met. It has therefore seemed worth while to bring out a new edition, and to send it for critical attention to such scholarly journals as might interest themselves in it. We have taken advantage of this new edition to revise the book: there have been no deletions and no changes of substance, but additional information, all confirmatory in character and some of it piquant, has come to light, and is now incorporated in our text.

R. G. W.

New York  
March 30, 1948.



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*Part I*

AN EPISODE IN HISTORY





## *Prologue*

The sale of the Hall carbines took place in August 1861, when the Civil War was just getting under way. For months the prospects for the Union had looked critical.

Abraham Lincoln's election in the fall of 1860 had precipitated the crisis. Early in 1861 the federal government's credit had sunk so low that the Treasury was forced to pay 12 per cent. for money borrowed to meet its debt service. In the money market a number of the more substantial Northern states enjoyed higher standing than the United States, and there was support in Congress for a proposal that these states buttress the faltering federal credit by adding their endorsement to a new issue of federal bonds. In February the seceding states organized their government at Montgomery, Alabama. The peril of the hour was agitating the nation. Lincoln, in fear for his life, stole incognito into Washington to his own inauguration, misled by unfounded reports of a conspiracy. In New York City the Democratic Mayor, Fernando Wood, was asking the Common Council to consider setting up the municipality as a free city, severed from all allegiance to state or nation.

The bombardment of Fort Sumter on April 12 and its surrender fired the North with martial fever, and war in a grimmer guise<sup>1</sup> began on April 19 when a Baltimore mob obstructed the passage of Massachusetts troops through their city on the way to the capital. These Baltimore disorders resulting in bloodshed and death closed the road to Washington for about three weeks, compelling reinforcements to take a circuitous water route and cutting off regular communications—postal and telegraphic—between the seat of government and the North. The panic of those weeks gave way to a measure of reassurance when the route through Baltimore was reopened in May, but alarm again swept the North after the humiliating rout of the federal forces at Bull Run on July 21. For days it was

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For all notes see pp. 121-148.

feared that Washington would be lost, and arms and men were rushed to the Potomac.

Naturally enough, there was a lag in translating the bellicosity of the North into an effective war machine. Immediately after the fall of Fort Sumter President Lincoln issued the first of a series of calls to arms. Independently of the federal authorities, military units began to organize themselves locally, under state and municipal auspices, and under groups known as Union Defense Committees that seemed to spring spontaneously into existence, wielding for a time extraordinary influence, raising money, buying supplies, and equipping and dispatching troops. Overnight the need for equipment, especially arms, became acute.

It was months before the authorities appreciated the need for a central purchasing agency for ordnance stores. In peace times the only demand for military supplies had come from the standing army of some 16,000 men; and their modest requirements were met by drawing on the stocks in the Government arsenals. Generally, military arms had been made in these arsenals, but sometimes contracts had been placed with private manufacturers. At the outset no one foresaw the duration and scope of the war, and it was only in mid-July of 1861 that the Chief of Ordnance delegated an officer—Major P. V. Hagner—to take charge of arms purchases from private contractors in New York.

Major Hagner's subsequent testimony<sup>2</sup> before a select House Committee appointed to investigate Government contracts supplies a vivid description of the condition in the arms market in the summer of 1861. From this testimony Major Hagner himself emerges sharply drawn as a figure of the times: a blunt-spoken military man, conscientious, competent in his specialty of arms, impatient with the inefficiency and chicanery around him, close in his business dealings to the point where, as he himself testified, other buyers usually carried off the guns he was bidding for by topping his price.

When Major Hagner reached New York on Saturday, July 13, to assume his duties as purchasing and inspecting

officer, he found the market in confusion. On the one hand, the buying agents of states, cities, Defense Committees, generals, and colonels were bidding frantically against one another and against the federal government for the same small supply of arms. On the other hand, the market was plagued with middlemen, many of whom knew nothing of arms, who besieged the buying agents with proposals. Things reached a pass where speculation in arms was taking the place of speculation in the stock market, and the arms peddler carrying a sample of his wares became a familiar sight in the streets of New York. Middlemen owning no arms, except perhaps the sample in their hands, would struggle to land contracts at high prices, hoping to connect with manufacturers at a profit afterwards. Buyers, mindful only of the urgent needs of the troops they represented, would bite at any bait. The confusion in the arms market spread quickly to Europe: it was said that on one ship five of these agents took passage, and later allowed themselves to be played off against one another by sharp European sellers. Buyers scoured Europe for arms, and while the highly esteemed Enfield rifle figured conspicuously in the purchases, they also shipped over obsolescent Continental arms bought at prices beyond their worth. Major Hagner, representing the Ordnance Bureau in New York, was struggling to hold the market down and to persuade competing buyers to work through him.

This was the situation when our 5,000 Hall carbines changed hands.

### *Wherein Arthur M. Eastman Buys Some Arms*

Lieutenant Colonel James W. Ripley had reached the Red Sea on his way to Japan, whither he was bound on a military mission, when reports reached him that trouble was brewing between North and South.<sup>3</sup> Disregarding the orders under which he was traveling, he turned about and made the journey home in spectacular time. On April 23, 1861, the Adjutant General placed him in charge of the Ordnance Bureau, and shortly afterwards he was made a Brigadier General. Ripley was a West Point man and an old timer in the army, having served in the War of 1812 and having spent the forty-nine intervening years in the service.

Some weeks after Ripley assumed charge of the Ordnance Bureau, one Arthur M. Eastman turned up with a proposal. Eastman was aware that the Government had in its possession a number of Hall's carbines, a model that was tending to become outmoded, but that otherwise he understood was a "very good arm". He asked to be allowed to alter the ones owned by the Government, so as to bring them up-to-date for use in the emergency.<sup>4</sup> Had Ripley accepted Eastman's offer to alter the arms, there would have been no Hall carbine affair. But he rejected it.

Little is known about Eastman, except that he hailed from Manchester, New Hampshire; that he had no regular business but had "been more or less concerned with firearms for twelve or fifteen years, in both this country and in Europe"; and that he considered himself a judge of firearms.<sup>5</sup> Of vital interest for our purpose is the convincing evidence that between Ripley and Eastman there was no collusion. Nothing in the record suggests that the two men had ever met before; and Eastman, *after* he had reached his agreement with Ripley to buy the arms, was so uncertain of the man he was dealing with that he sent Ripley a letter of recommendation from the Senator of his home state, Daniel Clark.<sup>6</sup> All of Eastman's letters to Ripley are marked by a tone of uncertainty that is incompatible with

any theory of a conspiracy between the two men. Indeed, Eastman's honesty seems not to have been questioned by contemporaries. The Committee of the House that investigated the transaction, certainly predisposed to be hostile, went out of its way to point out that they had found no evidence of bad faith on his part, although lamenting his "unfortunate eagerness to speculate on the misfortunes of the country."<sup>7</sup> His story, as unfolded in his testimony before the Committee and later before the special Ordnance Commission appointed by the War Department, was straightforward, detailed, consistent. He testified under oath that no one was interested with him in his purchase or his sale of the Hall carbines.<sup>8</sup> There is much evidence to support his testimony: there is not a shred of evidence, direct or circumstantial, to the contrary.

The correspondence<sup>9</sup> between Ripley and Eastman took place in late May and in June 1861. On May 28 Eastman, being then in Washington, addressed a letter to Ripley saying that since the latter declined to have the Hall's carbines altered, he offered to buy them at three dollars each for those in good order and proportionately for the others, payment to be cash on delivery, the guns to be taken within ninety days. The number of the carbines reported in the Government's possession was 5,184, and "damaged, 1,240 additional". On the next day Ripley submitted Eastman's offer to Simon Cameron, Secretary of War, with recommendation for approval, the price however to be \$3.50 for each arm "of every quality or condition." Cameron gave his approval on June 1.

Apparently Ripley and Eastman had a talk together, for on June 2 Eastman wrote another letter asking Ripley to put their "verbal arrangement" into writing, and to give instructions to Captain R. H. K. Whiteley at Governor's Island to hand over the carbines a thousand at a time against payment plus a \$500 good faith deposit. There is no answer to this letter in the record.

A third letter went forward from Eastman on June 5, this time from the St. Nicholas Hotel in New York. He again accepts Ripley's terms, and adds that he will be ready

to begin taking the arms "within a few days". (Here is the first intimation of the difficulties that were besetting Eastman. He was beginning to play for time, because he did not have money to swing the purchase.) He presumes that Ripley will cheerfully consent, as a business accommodation, to let the arms go in lots at intervals. (Naturally, this would simplify the financial problem.) To take them all at once, he explains, would be unwieldly, and the loft at the arsenal on Governor's Island is almost empty. But he hastens to explain that he is not making the delivery in partial lots a condition of his acceptance. The letter concludes with this gratuitous observation: "I do not find the arms quite so valuable as I hoped."

This time, on June 6, Ripley answers. He rejects Eastman's plea:

Sir: Your letter of the 5th instant is received. The instructions of the Secretary of War authorize the sale of the carbines "if all, of every quality or condition, are taken at the average of \$3.50." You will thus see that you must buy and pay for all before you can take away any. When you have paid for all, there will be no objection to leaving at the arsenal, subject to delivery *there*, on your order, such as you do not desire to take away immediately; *provided* that they can be stored there without inconvenience, of which the commanding officer must judge and decide.

Respectfully, your obedient servant,

JAMES W. RIPLEY,  
Lieutenant Colonel of Ordnance.

Ripley's letter puts Eastman up against it. On June 11 we find him writing a *fourth* communication, this time from Manchester, his home town. "I will be in Washington within a few days", he says, "and settle the account for the purchase of the 'Hall's carbines' of the government." And he adds: "As evidence of my ability to do so, I refer you to letter of Hon. Daniel Clark, United States senator from this State, to the Secretary of War". He was plainly uneasy about his finances, and straining to keep up appearances.

A week elapses, and on the 18th a *fifth* letter goes forward, again from Manchester: "I am ready to receive and pay for the 'Hall's carbines'." He asks Ripley to give him

an order on the officers in command "at the places of deposit", and he will take the arms at once, paying for them according to the agreement. He will go to Washington, if necessary, to settle the account. (Again he is playing for time.)

On June 20 Ripley replies that he is giving instructions on that day to the commanding officer at Governor's Island and at the Frankford Arsenal (near Philadelphia) "*to sell to you all the 'Hall's carbines' of every description (serviceable and unserviceable) on hand, at the rate of \$3.50 apiece.*"

Note the word "serviceable". This was later thrown into Ripley's face, as it conceded that a Hall carbine was a serviceable weapon.<sup>20</sup> Indeed, it is hard to reconcile the wording of this letter with an official memorandum signed by Ripley less than a month before, on May 27, specifying that "sales of ordnance stores are restricted to such as are condemned on regular inspection as damaged or *otherwise unserviceable*".<sup>21</sup> (Italics not in original)

The letter of June 20 closed the correspondence. The next development, so far as the Government was concerned, took place almost seven weeks later, on August 7, when Captain Whiteley, at Governor's Island, handed over to Eastman 4,996 Hall's carbines, in new condition, packed in boxes and with appurtenances, in exchange for a draft for \$17,486.

In those intervening seven weeks a change for the worse had taken place in the outlook for the Union. The battle of Bull Run in the East and the spread of insurgency in the West caused acute alarm, and "there was no period of the war when the demand for arms was greater than in the early days of August, 1861".<sup>22</sup> Why did not Ripley countermand his instructions to his arsenal commander? No one knows. Nor does anyone know why Whiteley, a man of responsible position, did not query his chief before complying with instructions that the lapse of time and the course of events had done much to render idiotic. Possibly Ripley felt he was bound by the conditions of Eastman's letter of May 28, in which the buyer was to have

ninety days to take the arms. Or again, the explanation may lie in bureaucratic inadvertence.

As for Ripley, most commentators later criticised him for the sale, but no one impugned his honesty. (He continued to hold his post for almost two years longer, until September 15, 1863.) In fact, some of those who criticised him most harshly went out of their way to safeguard his good name. His enemies taunted him with being "behind the age". They questioned whether "the old general has yet waked up to the necessity of providing for this war". They damned him by calling him "a good, kind old gentleman". The best that his friends could do was to praise his character and his faithful observance of military precepts, and to point out that the Secretary of War had approved the sale.<sup>13</sup>

Perhaps it is possible to make out a better defense for Ripley today, after more than 85 years, than it was in the heat and turmoil of those ensuing months. At the very moment of the correspondence with Eastman, he was calculating his ordnance requirements on an ultimate enrollment of 250,000 soldiers.<sup>14</sup> This figure soon came to look absurdly small. But in the spring of 1861 level-headed persons did not foresee the magnitude that the war would soon assume, and it must have seemed a mighty program to expand an army with a peace footing of 16,000<sup>15</sup> men to a quarter of a million. According to Hagner, the Union possessed arms at this time for about 200,000 men.<sup>16</sup> Ripley may well have thought that he could obtain some 50,000 more arms of the latest models without undue delay, so that he would not have to fall back on what was less than the best. In fact, his detailed plans for meeting the deficiency, by placing private contracts at home and abroad and by speeding up production at the Government plant at Springfield, are still in existence.<sup>17</sup> It did not occur to him, and probably to no one else, that two months later, in August, more than 500,000 men would be crying for weapons; and that a deficiency, easily manageable, of 50,000 arms in June, would quickly become a frantic scramble for more than 300,000.<sup>18</sup>



*At Last Eastman Finds a Buyer in the Person of One Simon Stevens*

Though Eastman had in hand a valuable contract with the Government, he faced difficulties in turning it to advantage. He had little or no money and no financial backer, and he had to take all the carbines or none. He therefore had to find a buyer before he himself could buy the arms, and his customer would have to advance the funds for Eastman to get possession of the arms he was selling. Instead of the customary order of buying and selling, Eastman had to sell and get partly paid before he could buy and deliver. At the same time, in trading with a prospective buyer he could not afford to disclose that he had not yet acquired the carbines; much less that they were still in possession of the United States Government and that the lapse of time and changed conditions might well cause the Government to withdraw from its contract. If aware of Eastman's difficulties, the buyer would drive a hard bargain.

It was not until the arms market was in a ferment after Bull Run that Eastman found his man. He was sounding out a number of persons, offering them his carbines by sample and naming his price. One of them was a Major E. S. Hubbard. Another was H. H. Babcock, whose figure emerges dimly from the yellowing pages of the contemporary records; he lived in Fort Plain, N. Y., "but spends much of his time in Washington". There were others.<sup>19</sup>

Eastman met Major Hubbard for the first time along in July. Hubbard told him he would buy the carbines, or, if not, he would introduce him to someone who would.<sup>20</sup> Accordingly, on Monday, July 29, they went down Broadway together carrying a sample carbine with them to the federal storehouse at 56 Broadway, and there Hubbard introduced Eastman to Simon Stevens in the latter's office.<sup>21</sup> Eastman and Stevens had not known each other before, and the acquaintance of both with Hubbard was of the slimmest.<sup>22</sup> Hubbard and Eastman arrived just as Stevens was leaving his office "to take the cars" for Washington, where he was to remain a few days, and they had only about five minutes

together. Stevens saw that the carbine was a smoothbore, new, with a cast-steel barrel, of superior workmanship. He advised Eastman to have the sample arm rifled and "chambered" to suit modern cartridges of Government standard. When that was done, he might consider making a proposal. He then hurried off to Washington.<sup>23</sup> ("Chambering" meant enlarging the bore of the breech, where the charge was pushed home, until it corresponded with the bore of the barrel to the base of the rifling grooves. Rifling the smoothbores made "chambering" necessary, for if the breech was not enlarged, the lead bullet would slip through the barrel without acquiring the rotation desired from the rifling. But if the breech was enlarged, the lead bullet under the impact of the explosion would expand to fill the breech-chamber, and on entering the barrel would "take" the grooves.)

Two or three days later Eastman turned up at Stevens's hotel in Washington with his sample rifled and chambered, all as Stevens had suggested, and there and then, on August 1, 1861, Eastman and Stevens made this contract together:<sup>24</sup>

WHEREAS, A. M. Eastman, of Manchester, N. H., has purchased of the United States Government, and is now the owner of five thousand carbines, known as "Hall's Carbines"; and

WHEREAS, Simon Stevens agrees to loan to said Eastman the sum of twenty thousand dollars within five days herefrom, and to have a lien upon said property, as collateral security for the payment of said loan, and it is further agreed that said Simon Stevens, so furnishing said sum of twenty thousand dollars, said Eastman agrees to sell to said Stevens said carbines at the rate of twelve dollars and fifty cents each, deliverable on demand, after the loan of the twenty thousand dollars is made.

This agreement limited to twenty days from date.

Witness our hands, this the (1st) first day of August, 1861, at Washington City, D. C.

ARTHUR M. EASTMAN  
SIMON STEVENS

The terms of the agreement are revealing. Eastman was dealing at arm's length with a stranger, and he was not disclosing more than he had to. He was representing himself as "now the owner of five thousand carbines", which

he was not. He was setting up a deal that would first give him a loan of \$20,000 before completing the sale of the arms; this was to enable him to take possession of the arms from the Government. The terms of the contract also suited Stevens. He had no money, but he could hope to borrow \$20,000 against arms that were worth at least several times that amount, and then, with the market for arms what it was, he could re-sell the arms within twenty days, pay off the loan, liquidate his account with Eastman, and have a profit.

On Monday, August 5, Stevens was back in New York. Unbeknownst to Eastman,<sup>25</sup> he sent the following prepaid "telegraph" to General John C. Frémont, then in command of the Western Department:<sup>26</sup>

56 Broadway,  
New York, Aug. 5, 1861

J. C. Frémont,  
Major-General Commanding,  
Cairo, Illinois

I have five thousand Hall's rifled, cast-steel Carbines, breech-loading, new, at twenty-two dollars, government standard, fifty-eight [caliber]. Can I hear from you?

SIMON STEVENS

This dispatch was forwarded to Frémont in St. Louis.

Frémont knew well the article that Stevens was offering him, for he had himself carried and used a Hall's carbine on one of his overland journeys.<sup>27</sup>

On the next day, he answered Stevens:

Dated Headquarters, 1861,  
Western Department,  
Received Aug. 6th.

St. Louis, Aug. 6th

Simon Stevens:

I will take the whole five thousand carbines. See agents Adams' Express, and send by express—not fast freight. I will pay all extra charges. Send also ammunition. Devote yourself solely to that business today.

J. C. FREMONT  
Major-General

Frémont's precipitancy found Stevens unprepared, for of course the rifling of the arms had not even started. He replied immediately, this time collect:

New York, Aug. 6, 1861

J. C. Frémont,  
Major-General Commanding,  
Department of the West,  
St. Louis, Mo.

Dispatch received. Carbines not yet all rifled. Can commence shipping Friday, and have them all off in ten days; will order one hundred thousand cartridges.

(Signed) SIMON STEVENS

Late that night (11:45 p. m.) Fremont answered:

Dated St. Louis 6th, 1861  
Received Aug. 7th.

To Simon Stevens:

Ship accordingly, but endeavor to make more speed with first shipment.

J. C. FREMONT  
Major-General

The times were ripe for selling arms, and of all men, Frémont was at that moment the man to buy. General John C. Frémont was a glamorous national figure, his exploits in the Far West having given him a romantic reputation and a political following. In 1856 he had headed the Republican Party in its first national campaign, and he was still a factor to be reckoned with. He had spent the first half of 1861 on a trip to Europe, where he had wrestled with the financial difficulties of his Californian gold mining property, the Mariposa stake. Hastening home on news of the war, he had landed at Boston on June 27, and he reached Washington on the next day. When on July 3 the Department of the West was created, the Government assigned Frémont to it with the rank of Major General. It was to be his duty to create and put into the field an army. Realizing that arms would be his first need, he spent much of July in New York, stopping at the Astor House, and under instructions from Washington Major

Hagner undertook to assemble for him 27,000 stands of arms.<sup>28</sup>

Immediately after Bull Run Frémont went to St. Louis and assumed command of his Department. He found conditions critical. The Governor, Jackson, was a rebel, and the loyalty of St. Louis was dubious. Insurgency was rampant everywhere. The loyal forces, mostly raw recruits, were badly fed, badly clothed, unpaid, mostly unarmed, and discouraged. Loyal commanders, hard beset, were calling from all sides for supplies. The terms of volunteers who had enlisted for brief periods were expiring and they were disbanding. On July 29, Frémont wired to Hagner, "We must have arms—any arms, no matter what".<sup>29</sup> To fill his cup of woe, Hagner informed him, following Bull Run, that Washington had given orders to divert all arms to the Potomac, so that Frémont could not expect even those arms which had been promised. From then on Frémont bought arms wherever he could get them, and Stevens's telegram on August 5 came to him from heaven.

With the Frémont telegrams in hand, Stevens on the next day, Wednesday, August 7, was ready to exercise the option that Eastman had given him. It was then, after Frémont had accepted Stevens's offer, that Eastman broke to him the fact that the carbines were lodged in the arsenal on Governor's Island, and that Eastman, to make good his title, had still to pay the United States Government for them at \$3.50 each. There is testimony indicating that, in his initial surprise, Stevens's first question was whether Eastman's purchase had had the approval of the Secretary of War. Eastman, truly enough, answered in the affirmative. The record does not disclose whether Stevens now told Eastman about the sale to Frémont, but the testimony seems to indicate that Eastman learned the destination of the arms later.<sup>30</sup>

Stevens was committed to lend Eastman \$20,000, and as he had no funds, he arranged with J. Pierpont Morgan to lend him that amount. He enjoyed no independent credit standing, and therefore under the terms of the loan

the carbines were to be held by Morgan as collateral. It was further stipulated that when Stevens should find a buyer for them, the buyer would be instructed to remit payment to Morgan, to be applied against the loan. (It is routine banking practice everywhere, always, for the proceeds of the sale of collateral to be paid to the lending bank, so that the loan secured by the collateral is liquidated therefrom.)

So Eastman and Stevens, accompanied by Morgan, went to Governor's Island,<sup>21</sup> and there Morgan made his advance of \$20,000. He paid Captain Whiteley \$17,486 with a draft drawn on the Assistant Treasurer of the United States in New York, and Whiteley delivered 4,996 Hall carbines with their usual appendages and packing boxes to Eastman in exchange for a receipt. At Eastman's request, Whiteley consented to store the arms in the arsenal temporarily in Morgan's name, and Morgan gave Eastman a receipt for them. In addition to the \$17,486 draft, Morgan handed over \$2,514 to Stevens who passed this money on to Eastman, completing by this payment the \$20,000 loan called for under the Eastman-Stevens contract of August 1.

In the summer of 1861, J. Pierpont Morgan, then 24 years old, was carrying on a modest financial business in Exchange Place. He had lately started in for himself, and he had had no previous dealings with Stevens. There is nothing in the official records to show why Stevens approached Morgan, rather than some well-known banker, for financial accommodation; nor to show what induced Morgan to make a loan to a man whom he knew at most but slightly. The answer seems to lie largely in the identity of Simon Stevens, and of this more will be said later.

The record clearly establishes that Morgan knew he was lending money for the purchase of arms from the Government. Eastman was in a position to satisfy all interested parties that the purchase had been properly authorized by the Chief of Ordnance and the Secretary of War. However, in all the mass of documentation minutely defining the Hall carbine affair, there is nowhere any evidence to

show that Stevens had informed Morgan about his contract with Frémont when Morgan made his loan. As we shall see, there is circumstantial evidence pointing toward the conclusion that Stevens withheld this information from his banker.

Late on the evening of August 7, Stevens sent Frémont a third dispatch, again collect:

56 Broadway, Aug. 7, 1861

11:15 P. M.  
John C. Frémont,  
Major-General Commanding,  
Department of the West,  
St. Louis, Mo.

Dispatch received; commenced rifling carbines; can have them all done in ten days; or could ship them all tomorrow at one dollar less without rifling; [have telegraphed to Halifax, to meet Arabia, for Henry to purchase and ship immediately five thousand sabres, belts, etc. Will write him by Saturday's steamer]—Answer.

(Signed) SIMON STEVENS

(The words in brackets relate to other matters.) Frémont answered on the next day, Thursday:

Dated Head Quarters, [Aug.] 8, 1861  
St. Louis,  
Received Aug. 8.

To Simon Stevens:

Dispatch received. You have done right. Go on with the rifling; use dispatch.

J. C. FREMONT

By this message Frémont consented to a delay in delivery that had not been contemplated when he accepted the arms two days before.

According to Stevens, there was a further exchange of dispatches, Stevens asking "when, where, and how" payments were to be made, and Frémont answering that "payments will be made on delivery".<sup>22</sup> If our supposition proves correct that Morgan learned of Frémont's purchase only *after* he had made his loan and when he could not withdraw, these later telegrams may well have been prompted by Morgan when he learned the truth and when, as banker, he would immediately ask for this information.

Meanwhile Major Hubbard, in Washington, seems to have dug up a new prospective buyer, and he wired a bid of \$25 to Stevens for 1,200 of the carbines; and Babcock appears also to have made a bid for the whole lot at \$25.<sup>33</sup> But their bids, for whatever they were worth, were too late. Eastman had succeeded in selling 5,000 guns for \$62,500 that he had bought for \$17,500. The rifling and chambering of the arms were to be at his expense, but by agreement with Stevens this was commuted into a reduction in the price of sale from \$12.50 to \$11.50, making a total sum due to Eastman of \$57,500. Of this he had received \$20,000, and for the balance he took a twenty day draft drawn by Stevens on J. P. Morgan & Co., which Morgan agreed to honor on maturity only if in funds from proceeds of the sale of the arms.<sup>34</sup>

Stevens's situation was not so secure as Eastman's. It is true that he had a contract with Frémont to buy for \$110,000 arms that were costing him \$57,500 plus the expense of alterations. But he had a \$37,500 maturity to meet on August 27, under pain of forfeiting his rights; he had to deliver the arms, duly altered, to Frémont in great haste; and in a period of national stress and confusion he had to get his money from the Government.

As for Morgan, he was custodian of the arms and he had a part in getting them altered properly. This meant that his \$20,000 loan was increased slightly by advances to pay for insurance, shipping and carting charges, and a portion of the costs of alterations. Since he had a first lien on arms worth at least several times the amount of his advances, his position was assured regardless of the Frémont contract. Consequently there is no necessity to assume knowledge on his part of the Frémont contract to explain his \$20,000 advance. Later he kept himself independent of that contract, when 2,500 of the carbines were finally shipped to Missouri, by refusing to let the remaining arms go forward until payment for the earlier lot had been received.<sup>35</sup>



*How Stevens Encounters Difficulties, and  
Falls into the Clutches of Ketchum*

Stevens, it seems, was elated by the deal he had put over. It got around that he was bragging of the money he had made on a shipment of arms to Frémont; street rumor placed the figure at \$60,000. The story reached Hagner, whose indignation it aroused.<sup>38</sup> At the same time Stevens began to display a burst of activity in the arms market, and he irritated Hagner further by seeking the latter's help, representing himself as Frémont's agent, but taking offense when asked for his credentials and refusing to show them. Along in the middle of August we find him in St. Louis, at Frémont's headquarters. In that maelstrom of activity and confusion, we catch a glimpse of him on Sunday, August 18, receiving an *oral* appointment from *Frémont's private secretary* as aide-de-camp to the General with rank of major, and being paraded out of the General's headquarters through men with their swords drawn. (Later, on the floor of the House, a witty and scathing critic described this extraordinary scene and observed that the swords "were very properly drawn", he presumed.<sup>37</sup>) We see him selecting a sword for himself, symbol of his rank, in the St. Louis arsenal, but apparently not paying for it as rules required.<sup>38</sup> (Possibly, however, the sword was turned in again.) Thenceforth for the rest of his life he was "Major Stevens", and, back in New York, he engaged busily, though not on a large scale, in procuring arms as Frémont's representative, this time supplied with letters and telegrams confirming his authority. He received no compensation as major, nor commission on his purchases; and, for reasons that can only be guessed, his unregularized position on Frémont's staff terminated on September 20.<sup>39</sup>

Meanwhile trouble was brewing for him. The rifling and chambering of the Hall's carbines were not progressing with the promised dispatch. It will be recalled that Stevens had wired Frémont on August 7 that the alterations would be finished in ten days, and Stevens had to pay Eastman the

balance of his purchase price—\$37,500—on August 27. Of the 5,000 guns, 4,000 were being altered by a leading gunsmith, William Marston, for 75 cents each in his works at Second Avenue and 21st Street. The other thousand were shipped to the Taunton Locomotive Works in Massachusetts, where the alteration in the arms was completed at a cost of \$773 on August 23. Marston received his first batch of 1,000 arms on August 10, and similar instalments on August 21, 24, and 29.<sup>40</sup> The first shipment of 500 carbines went forward by Adams's Express to Frémont about August 23, and by about the end of the month, 2,500 arms in all were on their way.<sup>41</sup>

Stevens by now was embarrassed financially. Eastman was hounding him for his overdue \$37,500. Morgan would not let any more carbines out of his control until the first 2,500 were paid for; and while payment for these at \$22 each (a total of \$55,000) would cover twice over what he owed Morgan, who had first claim, it would not leave enough to pay Eastman. Eastman was firm: Stevens had forfeited his rights by default. And so we find Stevens casting about for more money to save his position. *Morgan would lend him no more; in fact, before the end of August he was calling for repayment of what he had already lent.*<sup>42</sup>

The strained relations of late August between Morgan and Stevens and between Eastman and Stevens merely carry forward and confirm the earlier evidence that these men, virtual strangers, were dealing with each other at arm's length, and had no partnership, or quasi-partnership, together. In the whole record of the Hall carbine affair, there is no important feature on which both direct and circumstantial evidence is more conclusive than this.

That Morgan, whose advance was quite safe, was pressing Stevens for repayment soon after he made his loan, and long before there was any public scandal, lends color to the supposition that he learned of the Frémont contract only after he had made his loan and that, though his money was secure, he was eager to finish with the deal.

In the midst of Stevens's embarrassment, Major Hubbard bobs up again. He had been looking to Stevens for a

substantial finder's commission in the business, and now Stevens was being squeezed out. He seems to have told Eastman that Stevens had promised him half of his profits.<sup>43</sup> To keep in the picture, he now assured Eastman that he would take over the business, and would introduce him to a man who would pay him off. Eastman was asking for nothing better, and accordingly Hubbard presented him to several persons and among them to Morris Ketchum, senior partner of the important private banking firm of Ketchum, Son & Co., 40 Exchange Place. Ketchum called over at his young neighbor Mr. Morgan's and examined the documents, which consisted of course of the exchange of telegrams between Stevens and Frémont and which he deemed entirely satisfactory. But Ketchum shied away from the business. He did not know either Eastman or Hubbard, and he could not see what Hubbard contributed to the transaction. Furthermore, the arms seemed to belong to Stevens and were held by Morgan; so why deal with Eastman? He would not touch the business. He told them Stevens was the man to deal with.

A few days later Stevens turned up in Ketchum's office, not with Hubbard or Eastman, nor yet with Morgan, but with a letter of introduction that made a great impression on Ketchum. It was from George Opdyke, a prominent merchant of the city and a leading Republican who a few months later was to be elected mayor of New York, the first Republican mayor. This time Ketchum paid attention. On the strength of the letter of introduction and of the documents he agreed to lend Stevens money, subject to the prior claim of Morgan.<sup>44</sup> Morgan knew Ketchum well. If Morgan was at odds with Stevens over the sale to Frémont, this would explain why not he but another had to introduce Stevens to Ketchum.

On Saturday, September 7, Ketchum advanced to Stevens \$46,226.31, of which \$37,500 went to pay off Eastman, who endorsed and handed over to Ketchum the past-due draft on Morgan that he had been holding.<sup>45</sup> From then on Eastman disappears from the scene.

At this time half of the arms had already reached Frémont, and payment was being awaited. Morgan, eager to be reimbursed, was holding back the rest of the arms. On September 10 word came by telegraph that the voucher for the first half had been paid in St. Louis, and Morgan immediately released for shipment the rest of the arms. Ketchum was now willing to pay off Morgan, who was impatient to be out, and take over his position in the business, when on Saturday, September 14, the very day that he planned to do so, the draft from St. Louis reached Morgan. It had been made out for \$55,550, the net proceeds being \$54,994.50. Deducting \$26,343.54 that was due him, Morgan handed over the balance of \$28,650.96 to Ketchum on Monday, September 16. Morgan's interest in the Hall carbine transaction was liquidated.<sup>46</sup> We have Stevens's sworn testimony that Morgan had no participation in the deal beyond the repayment of his loan with interest, plus compensation for his services. This was never disputed by any witness, and is supported by all the evidence.

Of the \$26,343.54 that Morgan received, apparently \$156.04 represented interest on his advances and \$5,400 was commission.<sup>47</sup> The interest was calculated at 7 per cent., which was the going rate at the time, and also the legal rate;<sup>48</sup> as one member of the House Investigating Committee put it, 7 per cent. was "the ordinary rate".<sup>49</sup> From a banking point of view, a 7 per cent. loan secured by arms was not an attractive transaction in August 1861. In the middle of the last century, when the dearth of capital was acute, high rates of interest and high risks were the rule. And in August 1861 the money market was difficult. In the middle of the month the federal government had trouble in selling at par to banks an issue of \$50,000,000 three year notes bearing 7.3 per cent. interest, and succeeded only by agreeing to leave the proceeds of the loan on deposit for weeks. The notes appear to have fallen to a discount of several points immediately.<sup>50</sup> Morgan's commission of \$5,400 was additional compensation. While there is nothing in the record to show how this sum was agreed upon, it is reasonable to suppose that a personal loan in the troubled month of

August 1861 would naturally carry a bonus, and especially so when it involved the trouble and responsibility entailed in handling carbines, supervising their alteration, and seeing that they reached their destination. It seems likely that the total number of arms pledged with Morgan was 5,400, and the additional compensation in that case was \$1.00 per gun.<sup>51</sup>

As for Hubbard, he did not let himself be shaken off easily. He appears to have pestered Ketchum to the limit of his patience, for Ketchum on October 8 was describing him as "a kind of blackmail man".<sup>52</sup> Hubbard also kept after Stevens, who promised him early in September that if the transaction came out satisfactorily and without any more of his "officious intermeddling", he would pay him \$2,500.<sup>53</sup> As matters turned out, it seems unlikely that Hubbard got anything.

As for Ketchum, he showed surprising liberality in his advances to Stevens. By October 2 he had lent him \$55,415.25 in cash. After he got the surplus of \$28,650.96 from the first voucher paid by Frémont, his net cash advance was reduced to \$26,764.29. In addition, he "accepted" a draft drawn by Simon Stevens in favor of one Jacob Griel for \$12,000, to be paid only when in funds from the carbines. On these advances, including the unpaid "acceptance", Ketchum was charging 7 per cent. interest and a commission. When testifying on October 8, 1861, before the House Investigating Committee, Ketchum refused to disclose the amount of the commission on the ground that such a disclosure would be an invasion of his "private business, which I think the government has no right to inquire into". But after the Committee in December had questioned his right to recover his money, he sought an opportunity to testify again, and on January 23, after sharp questioning and much evasion, he informed the Committee in a letter that he had agreed to charge Stevens a commission not to exceed 13½ per cent. He now contented himself with figuring his commission at 5 per cent, based on the total of his cash advances, including the large part that had been quickly paid off, and the "acceptance" in

favor of Griel."<sup>54</sup> (The \$12,000 "acceptance" in favor of Griel, on which Ketchum charged interest at 7 per cent. per annum and a flat commission of 5 per cent., involved no outlay of funds and no risk. It was not a true acceptance, being only a contingent liability.) Ketchum justified his charges on the ground that in a transaction of this kind the consignee might reject the goods, leaving him, as he said, with the "elephant"; but he also held, inconsistently, that this was hardly a serious risk, as half of the arms had been accepted before Ketchum advanced his money, and the other half of identical quality were in Frémont's hands within a week. Ketchum, a banker of large experience, was in possession of all the facts, yet he could stomach the transaction. He took advantage of the circumstances to squeeze Stevens.

The fact is that Stevens's early elation over his deal had been premature. Before the month of August was out, he had had to place himself in the hands of Ketchum to save what he could of his interest in the business, and Ketchum saw to it that Stevens was going to save little.

### *The Timely Intervention of John T. Howard*

The main theatre of war had shifted by September 1861 from the Potomac to Missouri, where Frémont was struggling against enemies threatening him from the South and against rising dissatisfaction with his leadership in his own camp. The war news filling the newspapers of the North dealt largely with him and his problems. His popularity had lost its pristine bloom when General Lyon, a dashing officer who had captured the public's imagination, fell at Wilson's Creek, in southwest Missouri, on August 10; there were many, ignoring the difficulties that beset Frémont on every hand, who were positive he should have re-enforced Lyon's command in time to avert the tragedy. At the end of August Frémont allowed himself to issue a premature emancipation proclamation for the territory under his jurisdiction, and his prestige suffered when President Lincoln, for weighty reasons, repudiated it publicly. The all-powerful Blair family of Missouri, originally his staunchest backers, turned against him. Another crushing blow was the encirclement by the enemy of Colonel Mulligan's forces at Springfield, Missouri, and their capitulation on September 20. There began to be talk of Frémont's lavish expenditures, and of the exotic uniforms and imperial mannerisms affected by his entourage. He gathered around him some of his old friends from California, and his detractors assailed their characters mercilessly. As the attacks grew more savage, his partisans grew more vigorous in his defense. For months the polemic was to rage, furious and bitter.

Meanwhile, behind the stirring news and public discussions of the day, Stevens had been intent on getting his carbines properly delivered to the army in the West and collecting his money. He succeeded in delivering his carbines, but many years were to elapse and the Civil War was to become a thing of the past before he received the price that Frémont had agreed to pay.

The records disclose in detail what took place in St. Louis when the carbine account was presented for payment, and the circumstances shed light on the Hall carbine episode and its subsequent history.<sup>55</sup>

When the first instalment of 2,500 carbines had gone forward, Stevens appears to have drawn a draft for \$55,550 on General Frémont, accompanied by an itemized bill, the total amount being made up of \$55,000 for the guns at \$22 each, \$500 for 125 packing boxes at \$4 each, and \$50 for freight. In accordance with the terms on which he had contracted his \$20,000 loan on August 7, Stevens made out both draft and bill in favor of his banker, J. Pierpont Morgan. Morgan held the carbines as security for his loan, and the proceeds from their sale therefore were to go first to him to repay the loan.

On or about September 7, one John T. Howard called at the office of Captain F. D. Callender at the St. Louis Arsenal with Stevens's draft and bill. The two men went over to Callender's quarters to avoid interruption, and there filled out a Government voucher in the proper form for payment. But at that moment Callender had no funds to meet it.

A day or so after Callender had formally refused payment for want of funds, he received an urgent summons to report at Frémont's headquarters, and there he found Howard. Together they went to the quarters of Captain Parmenas T. Turnley, the Assistant Quartermaster, who on Frémont's order or request turned over to Callender \$82,662.50 of the quartermaster department's funds, of which \$55,550 was used to meet Stevens's bill. (The balance was applied to two other accounts in the name of one John Hoey.<sup>56</sup>) Turnley drew a draft on the United States Assistant Treasurer in New York in favor of Morgan, and Howard receipted the Government voucher for it, although (and this became significant later) it was understood at the time that he had no power of attorney for Morgan and that the receipt would have to be regularized. Howard was displaying considerable activity as a member of Frémont's entourage in pushing this and some other accounts. To



Callender he explained Frémont's transfer of the Quartermaster's funds to the Ordnance Department on the ground that Frémont was anxious for the Stevens draft not to be protested. News of the payment of this voucher (which we shall call Voucher No. 1) on September 10 was doubtless telegraphed to New York, for the second batch of 2,500 carbines went forward immediately and reached St. Louis by Sunday, September 15. By that time the check for \$55,550 had reached Morgan, whose claim of \$26,343.54 in the Hall carbine transaction it liquidated and who on Monday the 16th handed over the balance to Ketchum, as the party next in interest.

Who was this man Howard that intervened so efficaciously on Stevens's behalf? Callender testified later that Howard had been frequenting Frémont's headquarters and "seemed to be, at least," a friend of the General's. He carried a courtesy title of "Colonel", perhaps after the style of "Major" Stevens. Ketchum said afterwards that he had never met the man. Hagner, in testifying on October 9, linked Howard and Stevens together as two arms buyers whose names he had been hearing mentioned every day, although he did not know who Howard was.<sup>57</sup> Some months later Frémont published a mass of documentary material in defense of his command of the Western Department, and among the papers was this isolated item relating to Howard:<sup>58</sup>

The following dispatch was sent to Mr. J. T. Howard, of New York, who, at General Frémont's request, was endeavoring to procure certain arms from the Union Defense Committee of that city:

St. Louis, August 13, 1861

To J. T. Howard:

Dispatch received. Send the arms without further bargaining, and also send your address. Ship per Adams & Co.'s fast freight, who collect here on delivery. Good men are losing their lives, while the men whom they defend are debating terms. Answer.

J. C. FRÉMONT  
Major General Commanding

How clearly those lines reveal Frémont's state of mind at the time of the carbine purchase! There is no reason, however, to link this telegram with Stevens's carbines.

Fortunately, a great deal more is known about Howard than the Hall carbine records disclose. A little more than three years afterwards Frémont as a witness in a celebrated libel suit had occasion to explain that he had met John Tasker Howard in the election campaign of 1856, and that their relations became "quite intimate and confidential".<sup>89</sup> In 1925 Howard's son, John Raymond Howard, published a volume of reminiscences that sheds further light on Howard's role.<sup>90</sup> J. T. Howard came of an old merchant and shipping family. He himself was a founder of the Plymouth Church in Brooklyn, and one of the intimate friends of Henry Ward Beecher. In the early '50's he became a promoter, and in 1855 began to interest himself in financing Frémont's Mariposa mining property. In the campaign of 1856 he spent, according to his son, some \$40,000 of his own money on Frémont's behalf. He was much in California and came to be regarded as a Californian. He was with Frémont in Europe during the spring of 1861. He and his boy John Raymond Howard, then 24 years old, joined Frémont in St. Louis on August 16, 1861, immediately after the dispatch quoted above. His son writes that Frémont placed his father in charge of the shipment of arms that had been bought for the equipment of the Missouri troops. Stevens, as we have seen, was in St. Louis on August 18; may they not have gone west together?

At any rate, three weeks later Howard was busy arranging for the payment of Stevens's draft. Howard's son comments on his father's "quick eye to practical matters". What practical interest may he have had in collecting Stevens's money? An hypothesis presents itself that would explain what went on in St. Louis.

Stevens's draft for the first shipment of 2,500 carbines was for \$55,550. But it will be recalled that the net proceeds received by Morgan were only \$54,994.50. There had been a discount of \$555.50, or exactly one per cent. In those

days banks charged a fee for remitting funds from one part of the country to another, which was called an exchange charge; but in this case the discount could not be laid to exchange, for the draft was drawn in New York funds and no transfer was involved. Later in the records we find the discount on this first draft called "express charges";<sup>61</sup> but this term is baffling, because the freight charges of \$50 were included in the bill, and express charges, if any, were for Frémont's account.<sup>62</sup> Is it not likely that Stevens employed Frémont's friend Howard to push the collection of his bill, and that Howard's quick eye to practical matters yielded him a commission as collecting agent? The maintenance of Frémont's credit standing may have been his primary interest, but a fee from Stevens did not add to the Government's costs.

*Wherein Stevens Turns a Letter  
to Account in a Surprising Way*

When Howard collaborated with Captain Callender in preparing Voucher No. 1 for payment, the two men apparently drew up in tentative form a second incomplete voucher that was to be used to cover the *second* instalment of 2,500 arms. This Voucher No. 2 was also of course made out in favor of Morgan. A few days later Stevens appeared in St. Louis and asked Captain Callender to include in the tentative incomplete Voucher No. 2 some additional items (screwdrivers, wipers, spring vises, and bullet molds) that were accompanying the arms, raising the total of Voucher No. 2 to \$58,175. With every Hall carbine there were supposed to go one screwdriver and one wiper; with every ten carbines, one spring vise and one bullet mould. And in addition, every twenty carbines called for a packing box.<sup>63</sup>

The history of these appendages (as they were called in ordnance terminology) provides a piquant condiment to the carbine transaction. It appears that when Captain Whiteley at the arsenal on Governor's Island received his instructions late in June to sell the Hall carbines to Eastman, he wrote to the Ordnance Department in Washington inquiring whether the customary appendages and packing boxes accompanying these arms should be included in the price of \$3.50 each, or should be charged separately. Receiving no reply, he let the appendages go without billing them extra. Shortly before August 20, when some of the carbines were still on hand in the arsenal waiting for Eastman to take them away, Washington at last got around to answering Whiteley's letter, and instructed him to "charge a fair valuation for the appendages and packing boxes". The delay in the answer speaks for the conditions prevailing at that time in the Ordnance Department. It also shows that even in August, when reminded of the affair, the Ordnance Department did not awake to its own folly in making the sale.

Whiteley immediately wrote Eastman the following letter:

New York Arsenal, August 20, 1861.

Sir: I have been instructed by General J. W. Ripley, chief of the Ordnance department, to charge you a fair valuation for the appendages accompanying the Hall's carbines, and the boxes in which they were packed, purchased by you from the United States. The cost is as follows, viz:

5,067 screwdrivers, at 25 cents each	\$1,266.75
5,005 wipers, at 20 cents each	1,001.00
503 spring vises, at 35 cents each	176.05
503 bullet moulds, at 50 cents each	251.50
250 packing boxes, at \$4 each	1,000.00
Amount	\$3,695.30

These articles are all new and in good order, and will be taken back at these prices should the arms be repurchased by the United States. Your immediate attention to this subject is requested.

Yours, respectfully,

R. H. K. WHITELEY,  
Captain of Ordnance.

Mr. A. M. Eastman,  
Manchester, New Hampshire.

The concluding paragraph of Whiteley's letter suggests that he had heard of the sale of the carbines to Frémont, and knew the destination of the appendages. If he did, his inaction under the circumstances speaks ill of his competence.

Eastman refused to make payment, contending that other arsenals had delivered the appendages without additional charge. Seeing that a lawsuit would be needed to enforce his demand, Whiteley dropped the matter and the Government got nothing. But the story did not end here. Eastman turned around and charged Stevens the amount that the Government was asking him, in vain, to pay. At that moment Stevens was in a weak trading position because he was not meeting the payment to Eastman of \$37,500 that fell due on August 27, and he could be squeezed out of the business. Eastman consented to waive his rights and in return Stevens consented to pay for the appendages,

and did so, presumably out of Ketchum's advances to him. At the same time Stevens came into possession of the Whiteley letter, and on his visit to St. Louis in the middle of September he turned it to account in persuading Captain Callender to add the appendages to Voucher No. 2. Thus Stevens's claim against the Government in the end included \$3,675.00<sup>64</sup> for appurtenances, for which he had paid Eastman \$3,695.30, and for which Eastman had refused to pay the Government a cent. Stevens established his claim on the strength of a bill rendered by the Government that Eastman had refused to honor.







*Wherein a Shuffling of Documents and a  
Public Investigation Have Their Genesis*

We have now reached the point in our narrative where a confusion of documents begins to bedevil the contemporary records—a confusion that went far to vitiate all contemporary judgements on the episode. Only today, by collating the evidence in a manner that the contemporary passions and the piecemeal disclosure of facts did not permit, is it possible to discern what happened.

To speak exactly, there was a double confusion.

It will be recalled that Captain Callender paid for the *first* shipment of 2,500 carbines on the strength of a voucher for \$55,550, which we have called Voucher No. 1. J. T. Howard acknowledged receipt of the funds by signing the voucher as attorney for Morgan, although admittedly he had no power to do so. In due course a proper voucher was made out and signed by James G. Goodwin, Morgan's associate and cousin. The existence of these two vouchers, one tentative and defective, Howard's receipt being unauthorized, the other correct in every particular, was the first source of misunderstanding. For there was a slight but important difference in the wording of the two versions. Frémont's endorsement on the unauthorized form stated that the arms had been bought "by my order" (Frémont's); whereas in the valid voucher the arms had been bought "by me". If the former phrase held, it was possible to contend that Stevens had acted on Frémont's order as his agent, in which case Stevens would be entitled merely to an agent's commission above the price he had paid to Eastman. But if the arms had been bought *by* Frémont *from* Stevens, rather than by his order *through* Stevens, Stevens was a principal selling goods to the Government at an agreed price.

Voucher No. 2, covering the *second* shipment of 2,500 carbines, also led a double existence. It will be recalled that Captain Callender, before the arms reached St. Louis, drew up a draft of the second voucher with Howard's and

Stevens's collaboration. Of this draft he kept a copy; as he testified later, "It was taken merely as a memorandum to assist my recollection".<sup>65</sup> This copy of his, naturally, did not bear Frémont's signature and instructions to make payment. On October 26, 1861, he handed over his form of Voucher No. 2 to the Congressional Investigating Committee and it became part of the public record.

In due course, when the second batch of arms had reached the arsenal in St. Louis, Frémont signed Voucher No. 2. This was on September 26, 1861. Callender had no funds with which to pay this Voucher No. 2, and therefore it was sent, properly executed, to Morgan, the payee, as evidence of the receipt of the merchandise listed in it.<sup>66</sup> Morgan had had his loan paid off out of the proceeds of the first voucher, and as he had no further interest in the transaction, he promptly handed Voucher No. 2 over to Ketchum, for whom it was the sole security behind his outstanding advances to Stevens.<sup>67</sup> The delivery of this piece of paper to Ketchum about October 1, 1861, was the last connection that Morgan ever had with the Hall carbine affair.

Ketchum did not long retain Voucher No. 2. It came to him made out in Morgan's name, but assigned in such a way that Ketchum could collect it. (Whether there was a formal assignment is not certain.<sup>68</sup>) As an active banker in New York, Ketchum was well acquainted with the officials in the sub-treasury there, and shortly after the voucher reached him, he ran into George Harrington, Assistant Secretary of the Treasury, who happened to be in New York. Thinking that Harrington's good offices would facilitate the business, Ketchum handed over to him Voucher No. 2, and asked him to pass it along to Simon Cameron, Secretary of War, for settlement.<sup>69</sup> A few days later—this must have been early in October 1861—Stevens was in Washington, and with Harrington went to see Cameron.<sup>70</sup> The Secretary had the voucher in his hands during their talk, and promised he would give the matter his attention and write Harrington the next day. He never wrote, and in fact the voucher itself mysteriously dropped out of sight





in the War Department files, only to turn up many months later. During the period of its disappearance, the authorities chose to pretend that Voucher No. 2 existed only in the form of the imperfect draft that Captain Callender had kept in his own files as an aide-memoire for himself.<sup>71</sup>

It is not difficult to surmise what stayed the Secretary's hand. The enormity of the Hall carbine case—how the Government was buying for more than \$22 arms that it had just sold for \$3.50—was dawning on the consciousness of officialdom and public alike. On Wednesday, September 25, General Ripley had before him an estimate of funds, forwarded by Captain Callender, that the St. Louis arsenal needed in order to pay for arms already bought.<sup>72</sup> The estimate included an item of \$22.50 [sic] for some Hall carbines. One can imagine the sinking feeling that Ripley must have had when the suspicion first came to him that these were the carbines he himself had sold. He immediately addressed a memorandum to the Secretary of War, and its substance appeared on Thursday morning in the newspapers—the first news item on the Hall carbine affair.<sup>73</sup>

In his memorandum Ripley called attention to the excessive price of the Hall arms, which “only cost \$17.50 when new,—an arm which has been rejected from the U. S. military service after trial, and many of which have been condemned as unsuitable for public service and sold at auction at \$6 and under.” Furthermore, he said he knew of no authority for Frémont's purchases, because under the terms of an act passed in 1815 ordnance stores had to be contracted for through the senior ordnance officer. This rule, of course, Frémont had not observed.

On the next day, Friday, September 27, Major Hagner was telling a House investigating committee in New York behind closed doors what he knew or suspected about Stevens:—how Stevens had been milling around in the arms market; how Stevens had tried to consult with him and had made a mystery of his exact relations with Frémont; how Stevens, according to street rumor, was boasting of the profit he had made on one of his arms transactions. On October 4 Eastman and Stevens were testifying, and Morris

Ketchum on October 8. Hagner had more derogatory things to say to the Committee about Stevens on the 9th, and later in the month the Committee were sitting in St. Louis listening to Captain Callender's story.<sup>74</sup>

The Committee requested the War Department to withhold payment, and Secretary Cameron complied with their wishes.<sup>75</sup>

Meanwhile Frémont's fortunes in the Western Department were going from bad to worse. On October 14, L. Thomas, Adjutant General of the Army, directed that Frémont's debts be held up and forwarded to Washington for settlement.<sup>76</sup> (The commitment for Hall carbines was only a flea-bite in Frémont's finances, and probably had nothing to do with Thomas's order.) Overwhelmed by enemies without and enemies within, Frémont at last was relieved of his command on November 2, 1861.

The dual existence of Voucher No. 1 was destined to mislead, as we shall see, the Congressional Investigating Committee. The dual existence of Voucher No. 2 furnished the War Department, a little later, with a welcome though unfair excuse for withholding final payment from Simon Stevens. The confusion between the two vouchers, and between the two forms of each voucher, persisted in the public discussion to the very end. When, in July 1862, the final sputter of newspaper comment on this obscure transaction in firearms broke out and died away, the point at issue hinged on the conflicting vouchers. This final discussion, instead of clarifying the matter, left the problem of the vouchers more muddled than it had ever been.<sup>77</sup>

*Wherein a Congressional Committee  
Asks Questions and Ventures Comments*

One of the unusual things about the Hall carbine case is the promptness with which it was investigated. The carbines changed hands on August 7, 1861, and reached Frémont in September. A select committee of Congress were taking testimony and probing the transaction before the end of September. This Committee never wrote a final report on the affair; but on December 17, 1861, while they were still hearing witnesses, they submitted tentative findings to Congress and published them.<sup>78</sup>

Rumors of waste and corruption in the prosecution of the War had been current since the spring of 1861, and when the Congress had assembled in extra session early in July, the House had immediately created a select committee to inquire into Government contracts. Its members, several of whom were to have long and distinguished careers in the public service, were: Charles H. Van Wyck of New York, Chairman (he was diverted soon from his duties by service under the colors, but in the final stage of the Committee's activities he returned and became a belligerent minority of one assailing the motives of his colleagues); Elihu B. Washburne of Illinois, a friend of Lincoln's and later Minister to France; William S. Holman of Indiana, a "War Democrat" and later nicknamed the "Great Objector" because of his opposition to wasteful appropriations; Reuben E. Fenton, who a few years later became Governor of New York State; Henry L. Dawes of Massachusetts, for many years afterwards a leading figure in Congress; William G. Steele of New Jersey; and James S. Jackson of Kentucky.

The Committee went to work promptly and were sitting in New York as early as August 27, when rumors of Stevens's coup may have reached their ears. The examination of Major Hagner on September 27 was perhaps precipitated by the Washington dispatches of September 25, disclosing Ripley's protest against the price paid by Frémont for Hall's carbines.

The labors of the Committee extended over a period of more than a year and covered a wide field,—the purchase of arms, of horses and hay and blankets and food; the chartering of vessels; the activities of sutlers in the army camps; even the routine handling of merchandise in the customs house in New York. The Committee were diligent in their examination of witnesses, and the transcript of their hearings, filling some 2,500 printed pages, is a valuable primary source for the history of the times. The procedure of the Committee, which exercised the power of subpoena, was to take testimony in secret, submit the transcript to the witnesses for comment and correction, then draw up conclusions, and publish the report at the same time as the testimony.

Of the contracts investigated by the Committee, Frémont's purchase of carbines was one of the most spectacular. The Committee considered the affair remarkable in<sup>7</sup>

. . . illustrating the improvidence of gentlemen prominently connected with the public service [this presumably refers to Cameron, the Secretary of War who authorized the sale, Ripley, and Frémont], the corrupt system of brokerage by which the Treasury has been plundered, and the prostitution of public confidence to purposes of individual aggrandisement. . . . These arms seem to have been sold privately, and without inviting any competition, and sold, too, for an almost nominal price. The sale was made by order of the Secretary of War on the recommendation of the Ordnance Bureau. No government that ever has existed can sustain itself with such improvidence in the management of its affairs. One agent of the government sells these arms at \$3.50 each, in the midst of a pressing demand for arms, and, a few weeks afterwards, and without any increase in that demand [the Committee overlooked the effect in the arms market of the battle of Bull Run], the same arms, slightly altered, are re-sold to the government, through another agent, for \$22 each, the government losing in so small a transaction, if permitted to be consummated, over ninety thousand dollars. . . . Whether buying or selling, the liberality of the government is equally striking! . . . The arm had been rejected from the public service as practically worthless years ago, and in his [Ripley's] judgment no alteration could improve it; if so, the re-purchase of the arm is without any possible excuse; if otherwise, the original sale of the arm is utterly indefensible.



The Committee's apportionment of blame is the vital feature of its report. There is no censure for Morgan, under whose control "the arms were placed . . . to secure him the payment of \$20,000 he had advanced to Stevens".<sup>80</sup> Though holding that either Frémont or Ripley must have blundered, the Committee allowed Frémont an escape by assuming, erroneously, that he probably labored "under some misapprehension as to the nature of the purchase of the arms", and softened the indictment of Ripley by calling him "a gentleman of large experience and inexorable in the performance of his public duties".<sup>81</sup> As we have seen, the Committee exonerated Eastman of bad faith, but lamented his "unfortunate eagerness to speculate on the misfortunes of the country".<sup>82</sup> The burden of the Committee's indignation was visited upon Stevens.

Obviously seeking a justification for refusing to pay Voucher No. 2, the Committee hazarded an hypothesis that implied bad faith on Stevens's part. They asked whether Stevens, in offering the arms to Frémont, had not been acting as his agent rather than as a principal; if so, he could not sell the arms to Frémont at an advance over the price of \$12.50 paid to Eastman.<sup>83</sup>

In support of their hypothesis the Committee adduced various pieces of evidence. They were specially impressed by the absence of "chaffering" between Frémont and Stevens over price. Ignoring Frémont's desperate military exigencies, they remarked that he had accepted the arms immediately, without consulting Major Hagner, without inquiry as to the provenance of the arms, without details about the alterations. Such conduct, the Committee thought, would be natural only between a principal and his agent in whom he has confidence. This interpretation was re-enforced, said the Committee, by the wording of Voucher No. 1, in which Frémont confirmed the purchase "by my order" of the carbines. (Here the Committee relied on the unauthorized, invalid Voucher No. 1, signed by J. T. Howard.) The case would be clinched, added the Committee, if it could be shown that Morgan, in whose name the vouchers were drawn, was really the seller,

because this would leave to Stevens only the role of agent. To buttress their hypothesis further, the Committee adduced other evidence, but of even more dubious character. They recalled that as early as July Stevens had represented himself orally to Major Hagner as Frémont's agent,—representations that Hagner had rightly dismissed at the time as empty pretensions when Stevens refused to produce his credentials. They misquoted Frémont's dispatch accepting the arms. Frémont had wired: "I will take the whole 5,000 arms", but the Committee, though in possession of this dispatch, have him say, "Purchase and forward immediately . . .," as though Frémont had been giving instructions to his agent. (Ketchum in testifying had ventured his offhand recollection of the dispatch in these words. The Committee chose to make use of his inaccurate recollection, although they possessed the exact text and published it elsewhere in their report. This is the only instance where the Committee laid themselves open to a suspicion of abusing the evidence to suit their purpose.<sup>84</sup>)

In conclusion the Committee held that the carbines were worth "very nearly \$12.50" to the government at the time Frémont bought them, or a total of \$62,500; but that this was all the government was obliged to pay. They construed the contract as one between Eastman and Frémont, eliminating Stevens. As Voucher No. 1 for \$55,550 had already been paid, there was a balance due of \$6,950, plus interest since September 9. Nothing was to be paid for the appendages.<sup>85</sup>

To give effect to their recommendation, the Committee introduced the following resolution in the House:<sup>86</sup>

RESOLVED, That the Secretary of the Treasury be requested to adjust the claim against the government for the five thousand Hall carbines, purchased through Simon Stevens, esq., by General John C. Frémont, on the 6th day of August, 1861, and afterwards delivered at the United States arsenal at the city of St. Louis, on the basis of a sale of said arms to the government for \$12.50 each, rejecting all other demands against the government on account of the purchase of said arms.

Note the phrase: "*purchased through Simon Stevens*", rather than *from* him.

The Committee were clearly not convinced they were on sound ground in calling Stevens an agent of Frémont's. They labored their point, and they were not dogmatic about it. They gave their case away by winding up their report with an alternative reason for withholding payment from Stevens—a plea that consisted of this excoriation of Stevens's conduct:<sup>87</sup>

. . . even if Stevens is to be regarded as an independent purchaser, that purchase was made with a view to an immediate re-sale to the government at an enormous profit, and the committee protest against such a transaction being treated as fair and legitimate. To drive a hard and unconscionable bargain with a party whose pressing necessities compelled compliance, has received the severest censure of the enlightened jurists of all nations; and an act which promotes the sordid and mercenary interests of the individual citizen at the expense of the common interest of the Commonwealth, has been branded by the laws of most civilized countries as a crime. To seize upon the pressing necessities of a nation, when the welfare of the whole people are in imminent peril, and the more patriotic are sacrificing life and fortune in the common cause, to gratify a voracious cupidity and coin money out of the common grief, is a crime against the public safety, which a sound public policy must condemn. These transactions, where, in consequence of the urgent necessity of the occasion, or of the improvidence or dishonesty of public agents, enormous and exorbitant profits are attempted to be wrested from the government, are not to be confounded with fair and legitimate contracts and commercial transactions. These are to be sacredly carried into effect, and the good faith which the government owes to its honest contractors, and, indeed, to the patriotic masses of its people, demand the application of the most rigid rules of equity to the unconscionable and dishonest contracts by which enormous profits are sought to be obtained from the government by a system of brokerage unjust to fair and honest commerce, corrupting to public virtue, discouraging to patriotism, and a burning shame and dishonor to the country. Such, in the judgment of the committee, is the character of this transaction, where an effort is made to obtain from the government some \$49,000 over and above the value of the property sold, and that, too, in a transaction involving property at the very best not exceeding \$60,000 in value, and totally worthless if it were not for the necessities of the moment and the misfortunes of the country. The frequency of these transactions, instead of extenuating the offence, demands a more prompt and public condemnation.

On the whole, the Committee's report was not unfair. Their conclusions, except in their condemnation of Stevens, were frankly tentative, based on incomplete information.

When the Committee wrote their report, they had not yet examined Ripley. They never summoned Frémont, though he made himself available to them in Washington early in 1862. They never called Morgan. In their report they paid little attention to him, and clearly did not consider him important.

The Committee's suggestion that Stevens had betrayed an agency relationship soon collapsed. Frémont in a letter dated February 22, 1862, written for the record, stated unequivocally that he had bought the Hall carbines "directly from Mr. Stevens, and not through him, agreeably to the offer of sale received from him by telegram."<sup>88</sup> The Frémont letter was accepted by the War Department as final on the subject.<sup>89</sup>

If there had ever been room for doubt about Morgan's role, it was cleared up on January 22, 1862, when Morris Ketchum, re-appearing before the Committee, explained in detail the financial relationships of everyone connected with the transaction, and submitted a statement showing, among other things, the liquidation of Morgan's interest by the repayment of his advances in the middle of September.<sup>90</sup>

After the interim report of December 1861, the Committee never again reviewed the Hall carbine case formally. The next instalment of their general report was submitted to Congress on July 17, 1862. By that time another body—the Commission on Ordnance Claims and Contracts—had sat on the case and presented its findings, and the House Committee contented itself with reprinting the findings of the Commission.<sup>91</sup>

The Hall carbine affair drew some attention in the contemporary press. There was a flurry of comment in late September and in October, when Ripley discovered the price that Frémont had paid for the arms. There was some more comment when the House Committee's interim report was published on December 18, and when Chairman Van Wyck recapitulated the report on the floor of the House on

*Statement of business with S. Stevens.*

1861.

Sept. 7. Advance on 5,000 carbines bought by General Frémont of S. Stevens, say, with appurtenances, \$113,000.....	\$46,226 31
Sept. 9. Check (J. P. M.).....	3,797 00
Sept. 16. Check (S. S.).....	5,000 00
Sept. 21. Draft favor of Marston.....	360 00
Oct. 2. Draft favor of J. P. Morgan.....	31 95
Oct. 2. Draft favor of Jacob Griel.....	12,000 00
	<hr/>
	67,415 25

1862.

Jan. 21. Commission, 5 per ct., on \$67,415 25	\$3,370 75	
Interest, 9 days, on 46,225 31	80 89	
136 days, on 17,575 34	461 35	
134 days, on 3,797 00	91 45	
127 days, on 5,000 00	123 47	
122 days, on 360 00	8 54	
111 days, on 12,031 95	259 66	4,396 10
		<hr/>
		71,811 35

1861.

Sept. 16. Received from J. P. Morgan amount of Stevens's draft on General Frémont for 25,000 carbines, less express charges. ....	54,994 50	
Less Morgan's advance .....	26,343 54	
	<hr/>	28,650 96
Balance due us.....		<hr/>
		43,073 35
Amount of ordnance certificate, held by us as collateral.....		<hr/>
		58,175 00
		<hr/> <hr/>

STATEMENT OF KETCHUM'S ACCOUNT WITH STEVENS

Submitted by Ketchum to the House Committee investigating the transaction on January 22, 1862. [*House Invest.*, vol. 2, p. 515.]



February 7, 1862. Such attention as the incident drew can be laid more to the Frémont controversy than to its own merits. The newspapers hostile to Frémont—among others, the *Washington Evening Star*, the *New York Herald*, the *Chicago Tribune*—seized on it for ammunition against him, expressing amazement that anyone could pay \$22 for “condemned” and “worthless” arms; while journals friendly to him—the *New York Daily Tribune*, the *Daily Missouri Democrat* of St. Louis, and the *National Republican* of Washington—emphasized the military exigencies under which Frémont had labored, the merits of the Hall arm, and the folly of an Ordnance chief who sold good arms for a song in time of war. Examination of the files of a dozen leading newspapers shows that Stevens came in for considerable censure, though the *Tribune* put in a word even for him; Eastman is hardly mentioned; Morgan, never.<sup>82</sup>

On the floor of the Senate the Hall carbine transaction appears to have been mentioned only once, on January 14, 1862. In the House it elicited considerable discussion during March and April 1862, chiefly as a minor theme in the Frémont debate and in the angry debates over the activities of the House Investigating Committee. On February 10, 1862, Stevens addressed a memorial to the House defending his conduct and protesting against the recommendation of the House Committee to withhold payment of the balance of his account.<sup>83</sup> Shortly afterwards, in a formal statement and in testimony before another committee—the Joint Committee on the Conduct of the War—Frémont defended his record in the Western Department and, incidentally, his purchase of the Hall carbines, which he said he understood had never been condemned.<sup>84</sup> On April 28 Thaddeus Stevens, the Republican war-horse in the lower house, undertook to defend Simon Stevens, a protégé though not a relative of his, conceding however that the purchase and re-sale of the arms at a large profit was “a speculation which may not be very pleasant to look at.”<sup>85</sup> On April 30, after debate, the House approved, by a vote of 103 to 28, the resolution recommended by the Investigating Committee.<sup>86</sup>

Neither the discussions in the press nor the debates in Congress add materially to our knowledge of the Hall carbine episode. They shed more light on the factional sympathies of the day than on what happened. Frémont and the activities of the Investigating Committee were the bones of contention, with Stevens and Ripley incidental victims. In Congress Morgan was mentioned only once, and that reference is illuminating: Representative Holman of the Investigating Committee, who was charged with making on the floor the detailed report about the Hall carbines, said that Stevens, the responsible party, "uses the name of J. Pierpont Morgan, a New York broker, to cover the transaction."<sup>77</sup> Thus the spokesman for the Committee mentioned Morgan only to minimize his role.



*Wherein a War Department Commission  
Assembles Documents and Reaches Conclusions*

Simon Cameron's handling of war contracts subjected him to widespread criticism, and on January 11, 1862, he resigned, accepting, in lieu of his Cabinet position, the post of minister to Russia, a strange berth for Pennsylvania's political boss! Edwin M. Stanton, succeeding him as Secretary of War, found the Department cluttered with a mass of disputed contractual commitments for supplies. In order to free himself, for the more effective prosecution of the war, of this heritage of confusion, Secretary Stanton on March 13 created a special Commission on Ordnance Claims and Contracts to audit and adjust all outstanding "contracts, orders, and claims". He appointed to this commission two men, Joseph Holt of Kentucky, who had served as Secretary of War under Buchanan, and Robert Dale Owen of Indiana, son of Robert Owen, the celebrated British merchant and social visionary. He assigned Major Hagner of the Ordnance Bureau to aid them. Stanton further relieved himself of responsibility by announcing in advance that the War Department would accept as final and conclusive the decisions of the commission.<sup>88</sup>

The Ordnance Commission was not, of course, a law court; and it had no statutory existence. It was an arm of the War Department and a convenience for the harassed Secretary. The Department bound itself by the findings of the commission, but these findings were not binding on claimants. A dissatisfied claimant could have recourse to the courts, as in the case of other decisions of any Executive office.

On March 17 the commission invited all persons with claims against the War Department to present them. Over the ensuing months it considered 104 claims aggregating about \$50,000,000; and after rejecting some, curtailing or modifying others, and allowing still others, the commission reduced the liability to about \$34,000,000, subject in certain cases to appeals to the courts.<sup>89</sup> The commission's general report on its labors was published early in July 1862, but

the decisions in the individual cases along with the supporting documentation did not become available until later, and their ultimate publication appears to have passed unnoticed by the press.

General Frémont's purchase of Hall carbines appears in the record of the Ordnance Commission under this heading:

CASE NO. 97.

J. PIERPONT MORGAN

The use of Morgan's name, rather than Stevens's or Ketchum's, was natural though inaccurate. As the opening page of the commission's complete report on the Hall carbine case shows, Stanton handed over to Holt and Owen the valid form of Voucher No. 2. Since it bore Morgan's name as payee, it automatically gave Morgan's name to the claim. Thus the name of the dossier was lifted from the name on the Government voucher. But the commission was never in doubt about the identity of the true claimants: their analysis dealt throughout with Stevens and Ketchum. *Morgan addressed no communications to the commission, nor did he ever appear before it, in person or by attorney.* The opening words of the commission's findings accurately state Morgan's connection with the transaction:

The purchase was not made from the claimant, J. Pierpont Morgan, but from Simon Stevens. Morgan having loaned Stevens money, the carbines passed into the possession of Morgan as a security for the advance thus made, and were by him delivered to General Frémont, under the sale made by Stevens to him; and the bills against the government were made out in favor of Morgan.

Nowhere else does the commission discuss Morgan, much less criticise his role in the business, and he is mentioned only occasionally.<sup>100</sup>

That Ketchum, even more than Stevens, was the active claimant is abundantly clear from the exhibits published with the commission's report.<sup>101</sup> On March 28, 1862, John J. Cisco, the Assistant Treasurer of the United States resident in New York, gave Ketchum a letter of introduction to Holt, and in addition wrote Holt personally commending Ketchum in glowing terms.<sup>102</sup> On or before April 4 Ketchum in a personal interview asked Stanton to refer the Hall

CASE No. 97.

J. PIERPONT MORGAN.

[Indorsement.]

The within claim is referred to Hon. Joseph Holt and Robert Dale Owen, special commissioners, for investigation and report.

EDWIN M. STANTON,  
*Secretary of War.*

*The United States to J. P. Morgan, Dr.*

## ORDNANCE STORES.

1861.

August 7. 2,500 Hall's carbines, at \$22 .....	\$55,000
5,000 screwdrivers, at 25 cents .....	1,250
5,000 wipers, at 20 cents .....	1,000
500 spring vices, at 35 cents .....	175
500 bullet moulds, at 50 cents .....	250
125 packing boxes, at \$4 .....	500
	<hr/>
	58,175
	<hr/>

The annexed named ordnance stores have been received in good order.

F. D. CALLENDER,  
*Captain of Ordnance, United States Army.*

HEADQUARTERS WESTERN DEPARTMENT.  
*St. Louis, September 26, 1861.*

The above ordnance was purchased by me for the troops under my command. Captain Callender, Ordnance department, will pay the account.

J. C. FREMONT,  
*Major General Commanding.*

SEPTEMBER 26, 1861.

Not paid for want of funds

F. D. CALLENDER,  
*Captain of Ordnance, United States Army.*

56 BROADWAY, NEW YORK, August 5, 1861.

I have five thousand Hall's rifled cast-steel carbines, breech-loading, new, at twenty-two dollars, government standard, fifty-eight. Can I hear from you?

SIMON STEVENS

J. C. FREMONT,  
*Major General Commanding, Cairo, Illinois.*

HEADQUARTERS WESTERN DEPARTMENT.  
*St. Louis, August 6, 1861.*

I will take the whole five thousand carbines. See agents Adams Express, and send by express, not fast freight. I will pay all extra charges. Send also ammunition.

Devote yourself solely to that business to-day.

J. C. FREMONT,  
*Major General Commanding*

SIMON STEVENS.

## FIRST PAGE OF ORDNANCE COMMISSION'S REPORT

First page of the Report on the Hall carbine case prepared by the War Department's Commission on Ordnance Claims and Contracts. It will be noted that the title is taken from the unpaid voucher that appears as the first exhibit. [*Ord. Rep.*, p. 460.]



carbine claim to the commission, and he then appeared before the commission himself, submitting his papers to them and being examined by them. On April 11 he addressed a long letter to the commission setting forth his claim in the strongest terms.<sup>103</sup> On April 19 Holt wrote Ketchum asking for any evidence that he might care to offer as to the actual value of the arms.<sup>104</sup> In reply Ketchum on May 2 sent Holt affidavits of certain arms experts on the subject.<sup>105</sup> On May 15, in response to a request of the commission, Stevens submitted a mass of material giving details about his connection with the transaction.<sup>106</sup> Stevens had testified before the commission on April 14, and Eastman appeared on June 4 and 5.<sup>107</sup> The commission handed down its decision in this case on June 12, though it appears not to have been published until some weeks later. While the commission had the case under advisement, at least two lengthy anonymous letters appeared in the press defending Ketchum's position, apparently written with a view to influencing Holt and Owen.<sup>108</sup> In all the testimony and documentation supporting the claim, Morgan never figures in person or by proxy as a principal; and his name appears only rarely and incidentally.

The commission held that the Government was under a legal obligation to pay for the carbines, not because of the contract between Stevens and Frémont, but because the arms passed into the public service and were used as public property. The amount of the obligation was the fair market value at the time of sale of the carbines. The commission found the fair market value to be:

Amount received by Eastman.....	\$57,500.00
plus cost of appendages.....	3,695.30
plus cost of alterations.....	4,032.75
Total.....	\$65,228.05

As \$55,550 had already been paid to Stevens, this left a balance due him of \$9,678.05. (It will be noted that, even if no payment had previously been made, the settlement recommended by the commission would have sufficed more than twice over to pay off Morgan.)

Having decided that a fair market value of the arms had been \$65,228.05, the commission further held that a brokerage fee of  $2\frac{1}{2}$  per cent., or \$1,330.70, was payable. The payment was to be made to Morgan, the nominal claimant, in return for his receipt in full against all claims connected with the affair.

The commission's digest of the evidence, on which its recommendations were based, is marred, as we shall now see, by extraordinary factual lapses prejudicial to Stevens and Ketchum. The House of Representatives on April 30 had recommended that the Government should adjust Stevens's claim on the basis of \$12.50 for each carbine; and perhaps the weight of this political request warped the judicial faculty of the commission.

It will be recalled that the House investigating committee hazarded the surmise that Stevens had been acting as Frémont's agent. The War Department commission dismissed this supposition as unfounded. But it held that the Stevens-Frémont contract was "without sanction of law, invalid, and null", because under a military law of 1815 Frémont had authority to acquire arms only through the Chief of Ordnance, and because he had received no special delegation of authority to effect purchases that would have over-ridden the limitation on his powers contained in the 1815 statute. Therefore, the commission went on to say, any rights that the claimants might possess would have to be founded on considerations of equity. But the commission found that in equity Stevens's case suffered under two counts. Frémont had bought the arms looking to instant delivery, whereas Stevens did not ship the last lot for forty days. (The commission ignored the fact that Frémont had expressly waived his request for instant delivery by his dispatches of August 7 and 8, and that by accepting the arms he again waived any objections on that score.) Secondly, the commission charged Stevens with bad faith because when he offered the arms to Frémont he knew they were the property of the Government. (This assertion as to Stevens's knowledge flew in the face of the sworn, unchallenged testimony of both Stevens and Eastman; and what

is equally important, it disregarded the internal evidence showing that the relations of the two men at the time of the contract between them were such as to render *a priori* unlikely such knowledge on the part of Stevens.)

To arrive at a fair market value for the arms, the commission hit on an ingenious solution: it adopted

the terms . . . of the contract of August 1, 1861, between two shrewd business men, one agreeing to sell, and the other to buy, 5,000 of these carbines, rifled, at twelve dollars and fifty cents, the expense of the rifling and breech enlarging, estimated at one dollar per carbine, being deducted.

In other words it made use of the Eastman-Stevens contract to decide on a fair price for the Stevens-Frémont sale. (The fallacy here is obvious—Eastman, owing to the precarious status of his purchase from the Government and his lack of money, had not been in a position to make the most of the market. Whatever opinion one may hold of Eastman's conduct, it is clear that his trading position was disadvantageous, and the price he was willing to accept was no criterion of values.)

The commission closed its report with a courteous but unfavorable analysis of Ketchum's plea for payment as an innocent third party. The report pointed out that Ketchum had declined to disclose the terms of his advances to Stevens; and that from this one could infer that the terms, if they had been disclosed, would have evidenced doubts as to the sufficiency of the security, and would have indicated that the confidence claimed to have been felt had been largely mingled with distrust. (The commission in this case was making a shrewd thrust, and a justified one, except that they chose to ignore Ketchum's subsequent disclosure of the terms.)

The report then went on to say:\*

It is true, that while the house in question (Messrs. Ketchum, Son & Co.) admit that the security on which the advances were made was General Frémont's telegraphic despatch, backed by a private note of introduction, they allude, in the conclusion of their statement above cited, to the large sums advanced by banks and

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\* The name in parentheses in the first sentence appears thus in the official document.

bankers on "certified certificates." But no certified certificate, except for the sum actually paid, namely, fifty-five thousand five hundred and fifty dollars, is to be found in this case. There exists, for the fifty-eight thousand one hundred and seventy-five dollars claimed, only a partially filled up *form* of voucher, bearing an acknowledgment of the receipt of the arms in good order, signed by the ordnance officer at St. Louis, but showing (as the blank spaces disclose) that the required certificate that "the account is correct and just," is filled up by no amount, and remained unsigned by any one; showing, also, that the certificate, apparently prepared for General Frémont's signature, to the effect that "the arms were purchased for the troops under his command" was not signed by that officer. Thus, even if this quasi voucher may have been taken into account by Ketchum, Son & Co., in making some of their later advances, its very appearance was suggestive of the necessity of caution and inquiry regarding it. Nor has it, in point of fact, been shown that it was so taken into account.

On the strength of this paragraph, it is hard not to convict the commission of wilful deception. The pretense that Voucher No. 2 existed only in an incomplete form was belied by the presence of the authentic voucher among the exhibits in the possession of the commission itself, which some time later it proceeded to publish. The Secretary of War had himself submitted the voucher in its complete form to the commission for adjustment.<sup>109</sup>

Ketchum later expressed a willingness to accept the commission's offer of payment, but only if acceptance of the amount awarded would not be construed as a waiver of further rights. This the Government refused to concede.<sup>110</sup> Stevens and Ketchum proceeded in due time to take their case to court.



## *The Court Speaks*

Simon Stevens did not bring his suit against the United States until after the Civil War. In the fall of 1866 he petitioned the Court of Claims to render judgement directing the United States to pay him the amount due him under Voucher No. 2—\$58,175.00—plus interest from September 20, 1861. The depositions of witnesses were taken in New York late in December and during the early months of 1867. Ripley and Eastman did not testify, but all the other principal figures in the Hall carbine transaction—Stevens, Frémont, and Ketchum—were examined, as well as many of the minor participants. Morgan was not among them. Briefs were filed, and the Court of Claims handed down its judgement on May 6, 1867.<sup>33</sup>

The Assistant Solicitor of the United States, in defending the case, did not allege that there had been any fraud. The Government passed over entirely the suggestion of the House Investigating Committee that Stevens had been acting as agent; no grounds existed on which to base this contention. It did not impugn either of the vouchers covering the shipment of the arms, both of which in their correct forms were incorporated in the court record. The Government based its defense on three contentions:

1. That a major general had not, by virtue of his office as a military commander of a department, authority to make the purchase of the arms. All purchases of arms should have been made through the Ordnance Department. Frémont had made no application to the Ordnance Department in Washington, and he could not dispense with the requirement of the law until he had failed to procure the needed supplies in the regular way.

2. That Frémont had not derived authority to make the purchase from any instructions or orders given to him by the President of the United States.

3. That the claimant had already been paid as much as the arms were reasonably worth.

By a three to one decision the Court rendered judgement for Stevens in the sum of \$58,175.<sup>112</sup> The judgement did not include the interest for which Stevens had sued.

In his Opinion Judge Peck discussed the defendant's first two points together. He held that whereas an ordnance officer was a special agent of the Government with restricted authority, an officer commanding a department was a general agent, and by usage and common understanding was empowered to perform all the duties of special agents, such as ordnance officers. What a subordinate could do, he could do. Perhaps it was true that General Frémont had not made a formal demand on the ordnance officers for the arms in question, but this was not a fact that the claimant was bound to inquire into. Furthermore, such a demand would have been unavailing, as the Ordnance Bureau could not have met it, and the failure to make it was therefore excused, "for the law does not require the performance of a useless act". The Court held there might be a presumption that a commanding general, who is directed to organize an army, would have authority to procure arms when and where he could. The omission to do so would bring upon him something more serious than reproach. "It may well be said that the bargain made by General Frémont was not more unusual than the times which begat it; and much may be overlooked in an omission to regard forms, if we reflect upon the urgency of the occasion."

As for the contention of the Government that Stevens had already been adequately compensated, the Court after summarizing the evidence went straight to the point:

This record abounds in evidence showing that the carbines were of good quality, that twenty-two dollars each was a fair market price for them, and that there was a great demand for and a great scarcity of fire-arms in the market.

The opinion of the Court, which fills several pages, mentions Morgan only once, in a passing reference to Voucher No. 1, which had been paid.<sup>113</sup>

At the request of Secretary Stanton but against "the well-instructed judgement of all the Solicitors of the United States",<sup>134</sup> the Government made a motion for an appeal on June 10, 1867, and it was allowed on June 26. The case was not called up at the ensuing term of the Supreme Court, and on August 11, 1868, when Stanton was no longer Secretary of War, the Attorney General's office advised the War Department to drop the appeal. Pursuant to this advice, the new Secretary of War, J. M. Schofield, requested the Supreme Court to dismiss the appeal, which was done on August 22, 1868.

The recommendation of the Attorney General's office to drop the case, written by Assistant Attorney General J. Hubley Ashton, was carefully reasoned and emphatic. He said, in part:

I concede that the case was a proper one originally for judicial scrutiny, though it is difficult to believe that the facts before the War Department, at the time the matter was under consideration, did not warrant and would not have fully justified the payment of the claim; but, after the Government had received the benefit of an exhaustive contestation of the case, after all the circumstances out of which the contract arose, and all the facts attending it, had been fully disclosed by the witnesses familiar with them, upon examination and cross-examination, after an extended consideration of the case by counsel in argument not only as presented by the testimony in the particular cause but as affected by other and similar cases, growing out of the administration of the Department of the West by General Frémont, and, finally, after a pure and learned tribunal of the Government's own selection had pronounced in favor of the validity and meritorious character of the claim, and unanimously [sic] concurred in recommending its payment, I apprehend that no duty remained to the Government but to pay the claim, and thus perform, what was, at best, at that time, but tardy justice.

Pending the disposition of the appeal, Stevens had filed the judgement of the Court of Claims with the Treasury on June 24, 1867. On August 24 of the following year, immediately after the dismissal of the appeal, he was paid \$61,577.83, this amount including \$3,402.83 interest at 5 per cent. from the date on which the judgement had been filed.

This was the end of the Hall carbine affair.

The verdict of the Court of Claims received more than perfunctory notice in *The New-York Times* in its issue of May 13, 1867. This newspaper, after recapitulating the history of the case, quoted from the opinion of the Court, and then said that the decision would "open up a wide field for the owners of 'dead-horse' claims", adding that ". . . the contractors who furnished shoddy clothing and worthless arms to the Government, on the telegraphic requisition of extravagant commanders, can step in and get the satisfaction which they were denied at the War Department." There is no evidence that this gloomy forecast was fulfilled. On the contrary, *Stevens vs. U. S.* had no importance as a legal precedent. It has never been cited by the Supreme Court, and only once by the Court of Claims,<sup>13</sup> when it was used to point a contrast in adjudicating a claim that was being rejected.

### *The Hall Carbine:*

#### *Was It a Condemned and Worthless Arm?*

Carbines and muskets made according to Hall's patents had had a long and honorable record as a standard service arm of the United States army. The manufacture of this type had been given up in 1852, and the batch of 5,000 Hall carbines that Ripley sold and Frémont bought were among the last turned out.<sup>116</sup> The Government had ordered, inspected, and accepted them, each carbine bearing the inspector's stamp of approval.<sup>117</sup> They were the best Hall carbines that had ever been made, being distinguished from earlier examples by cast steel instead of iron barrels and by a side-lever that facilitated loading known as North's improvement. When Ripley sold them they were still in new condition, never having been removed from their original packing boxes except for oiling and cleaning. Every witness who had handled the arms testified that they were new: no witness disputed their testimony.<sup>118</sup>

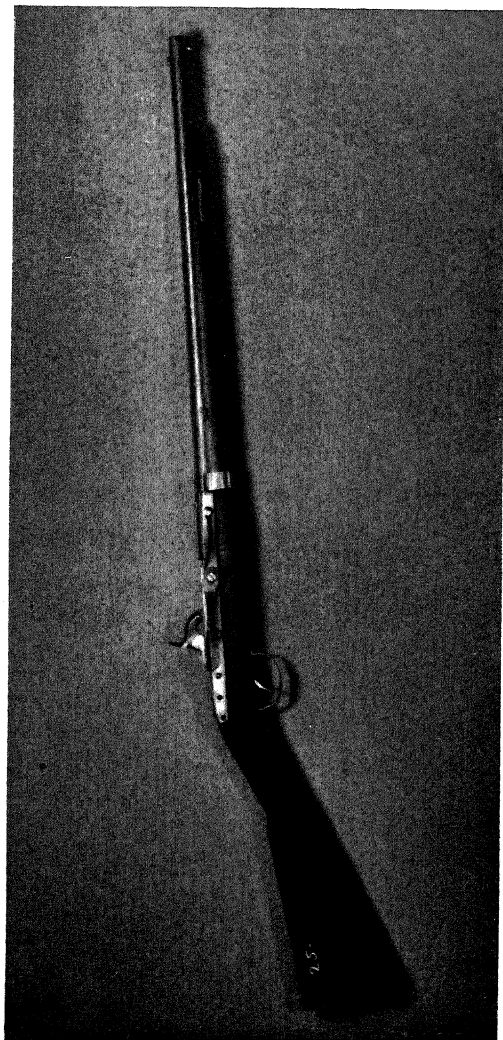
While in command of the Western Department, Frémont in his extremity distributed to his troops certain lots of unfamiliar Continental muskets that his men found unacceptable. Accounts of their protests, bordering on mutiny, still survive.<sup>119</sup> About one batch of Austrian muskets the men said they would much rather be in front of the guns than behind them. By contrast, not a word is to be found in the records to indicate that the Hall carbines caused serious dissatisfaction, and in fact they appear to have been welcomed and to have given valuable service. Frémont himself said that he had "heard no complaint" about them, and on another occasion he testified that "it proved to be a good arm".<sup>120</sup> It is inconceivable that Ripley's friends and Frémont's enemies would have failed to exploit criticisms, if there had been any. Undoubtedly the men would have preferred other models that were superseding Hall's guns, such as Sharps' or Burnside's; but the Hall carbines were a serviceable, well-made arm. An analogy is to be found in World War I experience: the

Enfield was the favored rifle for British troops, but in the dearth of arms that prevailed during the early phases of the war, Krag-Jorgensens emerged from obsolescence and gave valued service.

The enemies of Frémont in the polemic of 1861-2 described the Hall carbines that he had bought from Stevens as condemned and worthless arms. A brief account of the remarkable place won by Hall's guns in the history of American firearms<sup>121</sup> will show how exaggerated and misleading, and even perhaps wholly untrue, these aspersions were.

Four epoch-making developments took place in the evolution of small-arms during the nineteenth century: (1) rifled barrels completely replaced smoothbores; (2) ignition by percussion supplanted flintlocks; (3) the machinist's art reached such precision that gun parts could be made interchangeable; and (4) breech-loaders superseded muzzle-loaders. In all four of these fields John H. Hall's arms were pioneers. His first substantial order from the Government, in 1819, called for rifled barrels,<sup>122</sup> though rifling was not to become universal until the second half of the century. He seems to have turned out percussion guns in the remarkably early year of 1833, almost a decade before percussion became universally adopted.<sup>123</sup> He was the first to manufacture guns with replaceable parts in a Government arsenal.<sup>124</sup> And his arms were the first breech-loaders to be adopted as a service arm by any country. His breech-loading patent was the characteristic feature of his arms.

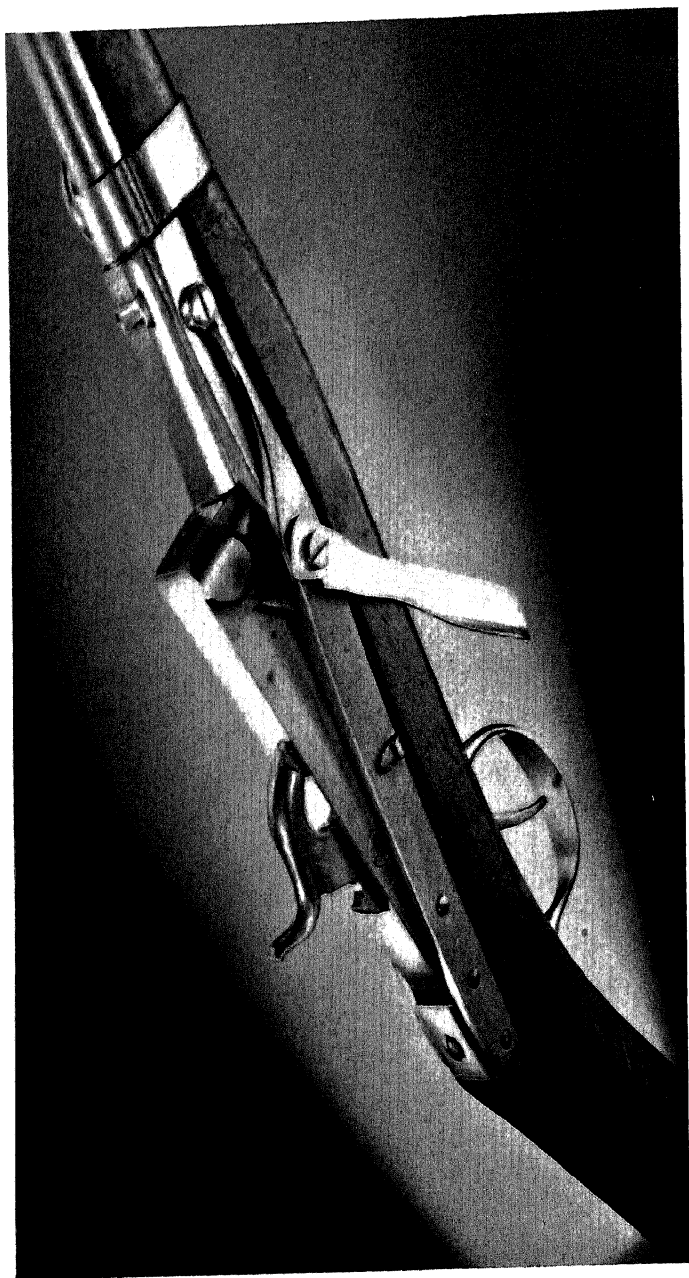
Judged by modern ideas, Hall's solution of the breech-loading problem was peculiar. To avoid loading by the muzzle with a ram-rod, he hit on the plan of making a joint in the barrel immediately *in front of* the seat of the bullet. In later breech-loaders, of course, the charge has been inserted from behind; and the invention of the convenient metallic cartridge with a rim has made this easy. But in the days when powder and ball came in paper cartridges, or were even inserted separately, the problem of securely lodging the charge in the breech in any way



### HALL CARBINE

RIFLED, WITH STEEL BARREL AND NORTH'S IMPROVEMENT

This model answers in every respect the description of the carbines bought by General Frémont on August 6, 1861; and it may have been one of the same batch.  
Found by the author at Bannerman's, N. Y., in 1936.



HALL CARBINE  
Breech-block Raised for Loading



except by ramming it home from in front defied the ingenuity of inventors. Hall's radical solution proved in the end a blind alley in the evolution of breech-loaders, but for a time it enjoyed much vogue. Even Major Hagner, in 1861, severe critic though he was, expressed a liking for the Hall method of loading, whereby the charge could be thrust securely into place with the thumb or finger from in front of its seat.<sup>126</sup>

But the joint in the barrel was the source of trouble. It allowed an escape of gas that diminished the force of the bullet and therefore its range and penetrating power. The escape of gas with the flash incommoded the soldier; and after the shooting of some rounds, it was likely to foul the joint with burnt power. Occasionally it would split the wooden stock of the gun, necessitating repairs.<sup>128</sup>

There was a second weakness. While the breech was open and the soldier was loading it, he could, under certain circumstances, shoot his own finger or thumb. This could happen, however, only if three conditions were met. First, he must have placed the priming cap on the nipple. Second, he must have cocked the gun. Third, he must have pulled the trigger while still engaged in the loading operation. No soldier in his senses would do these things. Nevertheless, according to the Ordnance Commission, this accident had occasionally happened, and it had operated as an inducement in the '50's to superannuate the arm.<sup>127</sup> The accident must have been rare indeed, as it could occur only deliberately, or else to an untrained or careless or drunken or disobedient soldier. Numerous reports of ordnance officials on Hall's arms made at intervals over several decades are easily accessible, and they fail to mention this disability. Apart from the unsupported statement of the Ordnance Commission, who were speaking of occasional accidents throughout the entire life of the Hall model, nothing has been found to indicate that the accident had ever occurred; and neither the Commission nor any other contemporary commentator alleged that it happened to any Union soldiers in the Civil War. In its hazards to the user, the Hall model could be compared to a pistol or

revolver, which also call for special care in handling. (The break between breech-block and barrel that is a distinguishing feature of the Hall model has survived to this day in the revolver.) This weakness of the Hall arm would naturally be a consideration in superseding it by later types of fool-proof breech-loaders.

The history of Hall's arms is filled with tributes to it by ordnance authorities.<sup>128</sup> John H. Hall took out the original patent for his breech-loader in 1811. By perseverance, he persuaded the conservative officials of the army to interest themselves in it: at first they ordered a few samples, and then a hundred guns, and finally, in 1819, a thousand stands of rifles. In 1824 they duplicated this order. The twenty years that followed were the heyday of the Hall carbine and musket. They enjoyed the highest esteem, and were manufactured in quantity. According to some writers, they played a useful role in the Seminole and Black Hawk wars, and perhaps in the war with Mexico.<sup>129</sup> All this while they were undergoing continuous technical improvement. Hall himself was made a captain of ordnance, and at the arsenal of Harper's Ferry he applied himself to the manufacture of his patented guns. As he could not cope with the Army's demands, substantial orders were also placed with a private contractor, Simeon North, the celebrated gunsmith of Middletown, Conn., whose plant turned out Hall's carbines steadily from 1828 to 1852.

The prestige of Hall's arms in these years of their greatest vogue is seen in the following excerpt<sup>130</sup> from a report on recent trials sent to the Secretary of War by George Bomford, Colonel of Ordnance, on January 31, 1827:

This report, made by experienced officers, after a constant practice with the arms for five months, exhibits a very full view of the subject, and clearly demonstrates the great superiority of these arms over all others heretofore used in the public service.

The convenience, safety, and celerity with which these are loaded and fired, and the accuracy and effect of their fire, and the durability of the arms, have been most effectually tested, and have proved not inferior in any of these respects to the common arms, but generally superior in all of them, and particularly so in all that relates to celerity and effect.

Two thousand stands have been nearly completed, and the recent trials at Fortress Monroe, which were designed to test them in the severest manner, has conclusively established their superiority. . . . Again, on February 8, 1836, in a formal investigation,<sup>121</sup> Colonel Bomford confirmed his earlier findings:

Captain Hall's invention has been thoroughly tested at the two principal posts of artillery and infantry, viz.: Fort Monroe and Jefferson Barracks, by long and severe service in the hands of several companies of artillery and infantry, and by private individuals. Many of his arms have also been applied for by and issued to the states; and the Ordnance Department has received, from time to time, formal reports from boards of officers, and from individual officers to whom the subject has been submitted, and in all the trials and comparisons with other firearms to which it has been submitted, whether by private or official persons, it has invariably maintained its decided superiority over all other firearms; and in short, there is no longer any doubt of its being the best small firearm now known.

However, after Captain Hall's death in the early '40's, the popularity of his arms slowly waned. Even though Colonel North introduced the important improvement known by his name and from 1848 on built his barrels of steel instead of iron, it became increasingly clear that the future of small arms lay with other models. After North's death, manufacture ceased in 1852. Nevertheless, throughout the '40's and '50's Hall's carbines continued to have stanch defenders. Early in 1845, when already the tide was turning, the Lieutenant Colonel of Ordnance, G. Talcott, felt so strongly on the subject that he wrote thus to the Secretary of War:<sup>122</sup>

. . . I am practically acquainted with the use of Hall's' arms, and assert unqualifiedly that if my honor and life were at stake, and depended on the use of firearms, I would sooner take one of these carbines than any other weapon. But fashions change, and what is good today will be cried down tomorrow. . . .

Jenks' patent arms have been more than once objected to by competent boards of officers. Hall's arms never.

It is worth recalling that the arms commended by Bomford and Talcott were inferior in some respects to the improved carbines that Frémont bought from Stevens.

Evidence of the esteem in which the Hall arm was held even as late as the ensuing decade is to be found in Com-

modore M. C. Perry's official narrative of his famous mission to Japan, 1852-54. He enumerates some of the presents that he took with him to bestow upon the Emperor and the exalted members of the imperial household, and in that list we find fifteen Hall rifles, five reserved for the Emperor himself.<sup>133</sup>

This brings us to the alleged "condemnation" of Hall's carbines. The earliest authority for the statement that General Ripley was selling condemned arms to Eastman is General Ripley himself. In his letter<sup>134</sup> to the Ordnance Commission of April 17, 1862, he informed them that on *November 5, 1857* (mark the date!) the then Chief of Ordnance, Colonel H. K. Craig, had submitted a list of ordnance stores to the Secretary of War with a recommendation that they all be sold, except muskets altered from flintlock to percussion. "This list", wrote Ripley, "embraced all the Hall's arms then belonging to the United States." Unfortunately, it is impossible to confirm Ripley's assertion. He accompanied his letter to the Ordnance Commission with supporting documentation, but it is a singular fact that he withheld the one document essential for his defense—the condemnation order naming the Hall carbines. This is doubly curious because General Frémont, in testifying before a Congressional committee, had already, on the previous January 17, expressed doubt whether the guns had really been condemned:<sup>135</sup>

With respect to the sale of these arms by the Government [declared Frémont], I have nothing to say. They were new, and I am told were sold without being condemned.

Our diligent efforts to uncover a copy of the list of arms ordered sold on November 5, 1857, have been unsuccessful.

*November 5, 1857!* It is a pity that Frémont's friends did not seize upon that date. Only a year before the Hall carbine affair was aired, the North was being stirred to violent indignation *by reason of that self-same order for the sale of arms*. The circumstances were such as to deprive the act of "condemnation" of meaning, and if the

Hall carbines were on the list, which is uncertain, this was not necessarily a serious reflection on their quality.

John B. Floyd, a Virginian, was President Buchanan's Secretary of War in 1857. In the summer of that year he ordered the Chief of Ordnance to assemble a list of such ordnance stores as were "damaged or otherwise unsuitable for the public service", with a view to their sale. Over the protests of the Chief of Ordnance, Floyd insisted that a large quantity of muskets altered from flintlock to percussion should be included in the list. Though obsolescent, they were still serviceable. On November 5, 1857, Craig, again protesting against the inclusion of the altered muskets, submitted the list to Floyd pursuant to his orders. Two years later Floyd sold almost 40,000 of these altered muskets, and then shipped others from northern to southern arsenals on the eve of the Civil War. His action let loose a storm of indignation in the North, where it was widely held that the Secretary of War had unlawfully authorized the sale of serviceable arms and had deliberately denuded the North of useful guns as he saw the approach of trouble. There was, of course, a Congressional investigation.<sup>136</sup>

In none of the documents relating to the list of November 5, 1857, is there any mention of the Hall carbines, or any catch-all reference to miscellaneous arms that might embrace them. Let us assume, however, that they were on the list. If Floyd was the traitor that Northern extremists believed, his order to dispose of ordnance stores is suspect throughout. If he was acting in good faith, as perhaps most students now believe, his own explanation for his behavior in 1857 clears the air equally well. In that year sensible men were not yet expecting civil war. The small-arms market was in a ferment with technical improvements that were revolutionizing the industry. A new model of muzzle-loading Springfield gun with rifled barrel was sweeping all earlier types of service-arm into obsolescence. Though no satisfactory breech-loader had yet appeared, inventors were besieging the ordnance authorities

with an endless variety of experimental types, and the authorities were alive to the possibilities of the new patents. Under these conditions it was not unnatural for Secretary Floyd to decide to dispose of large stocks of obsolescent arms that he felt would never be used. Thus when Craig, the Chief of Ordnance, advised his chief not to sell the altered flintlocks on the ground that they could "be made serviceable on an emergency", and would bring too low a price, Floyd replied that with the passage of time, "as the clumsy arm becomes more and more antiquated", the price would fall even lower. Unless he was deep-dyed in villainy, this proves how little he foresaw the Civil War, and why he was in haste to sell arms that were passing out of fashion.

The Secretary of War derived his authority to sell ordnance stores from an act approved on March 3, 1825. The committee of Congress that investigated Floyd's conduct, early in 1861, considered that only by taking "a very liberal construction of the law" could his sales of altered muskets, which were serviceable though old-fashioned, be construed as within its provisions. This would be equally true of Hall's carbines. Ripley himself recognized that when undamaged they were "serviceable". He admitted in 1862 that the Army regulations required an offer at public auction of "condemned stores" before they could be sold privately; and also he admitted with evident reluctance that the carbines sold to Eastman had not been previously offered at auction.<sup>127</sup> Ripley told the House investigating committee that "the Hall's arms had been tried in service and been reported unfit for use as a military weapon. . . . The condemnation for use in service was on account of the principle of the arms, and applied to new as much as to damaged arms."<sup>128</sup> Yet under date of August 10 (within a few days of the Stevens-Frémont transaction) the Army published a revised edition of its regulations, and in the section devoted to small arms, Hall's carbine appears duly listed among the others, at a price of \$17.00. If this model had been definitely condemned and abandoned, the Ordnance Bureau was curiously lax in the editing of the new regula-







tions. Frémont's friends made much of this point,<sup>138</sup> and Ripley never offered an explanation. Ripley's criticisms of the arm were uttered when he was defending himself, and were taken up and repeated by enemies of Frémont's, and by those who were seeking a justification for withholding payment from Stevens.

The facts about the Hall carbines are abundantly clear. Whether in 1857 there was a willingness in ordinance circles to sell them may never be known, and under the circumstances attending the Craig order this is immaterial. They were an obsolescent arm, but serviceable in a time of need. If civil war had not broken out, the army would never have made use of them, and the price of \$3.50 at which Ripley sold them might have been reasonable. But the crisis in the arms market in 1861 caught the Hall carbine at that particular stage of obsolescence where its usefulness could be easily revived, and thereby its value enjoyed a phenomenal rise.

When Frémont agreed to pay \$22 for new, rifled Hall carbines with cast steel barrels, Ripley's own Bureau was paying the extraordinary price of \$35 for Sharps' carbines, \$32.50 for Smith's, and \$35 for Burnside's.<sup>140</sup> Frémont testified that the arms were worth to him what he had paid for them.<sup>141</sup> Major Hagner in October 1861 testified that in his judgement the Hall carbine early in August had been worth between \$10 and \$12. His appraisal sets a minimum worth, for he had no use for Stevens and by his own story he was a conservative bidder who was always losing out to competitors in the soaring market of those days. As for Ripley, his testimony against the Hall guns was self-serving. If his examiners had driven home their questions, he could have been embarrassed, for the records of his own Bureau disclose a startling fact. In that same month of August 1861, and while some of the carbines sold to Eastman were still lying on Governor's Island, Ripley's Ordnance Bureau was buying second-hand Hall guns by the hundreds, paying \$9 each for one batch and \$15 for another! We know nothing about the condition of these second-hand arms, except

that they must have been inferior to the 5,000 carbines that Ripley had sold.<sup>12</sup>

In short, however shocking the double profit that Eastman and Stevens made, it is hard to disagree with the finding of the Court of Claims that the arms in August 1861 could be reasonably valued at \$22.

Perhaps no one living today knows more about the Hall model than Claud E. Fuller, author of *The Breechloader in the Service*. In response to an inquiry about the alleged condemnation of the Hall arm and its defects, Mr. Fuller in a personal letter to the writer dated April 27, 1937, wrote as follows:

I remember reading of the Frémont transaction but do not recall seeing list of November 5, 1857, and could never understand why the Hall carbines were condemned since it appears very certain that a large number of Hall Flintlock rifles were at Harper's Ferry being converted to percussion just prior to the war and it is a part of these arms that were taken by the Confederates and made into the so-called Confederate Hall.

No reports that I have seen went into any great details in reference to the escape of gas and the splitting of the stocks and in a great many of these arms I have examined I have never seen any stocks that appeared to have been injured at firing though many of them did give evidence of excessive leakage and burning at the joints.

As I recall it the old manuals provided for the loading of the piece before the cap was applied so that it would seem that the accidental discharge of the gun could only result from the grossest carelessness and disobedience in following the established procedure of loading.





*Simon Stevens:*

*A Possible Solution to an Enigma*

One question remains: who was Simon Stevens? How did it come about that Morgan lent him money? Why was Ketchum, on security that no cautious banker would ordinarily accept, so generous in his advances? Why did Eastman, when asked whom he had sold his arms to, reply that "Mr. Simon Stevens, of this City, was the *chief negotiator*"?<sup>143</sup> Why did Ketchum testify that he supposed there were other persons associated with Stevens, apart from Eastman and Hubbard?<sup>144</sup> When the House Investigating Committee asked Stevens whether anyone was interested with him in the contract, why did he content himself with denying that anyone connected with the Government had an interest and with defining the limited scope of Morgan's interest, averring as to the rest that the whole matter was conducted in his name, that it was a private matter of which he did not feel at liberty to speak, "or to give the names of those interested"?<sup>145</sup> Why did not the investigators clear up these points by pushing their inquiries home?

As happens in a soundly constructed detective story, those who skip lightly through the record of the Hall carbine affair may be tempted to point the finger of suspicion toward that mute figure in a secondary role, the only participant in the story well known to later generations, J. Pierpont Morgan. But, as we have seen, a perusal of the whole record defines with finality, over and over again, his limited role. As we shall now see, the plot yields other clues, hot ones, to explain Simon Stevens's mysterious associates in the business, and to account for his contact with Morgan. Though the explanations remain conjectural, they are inherently consistent and convincing.

Contemporary commentators left Stevens a shadowy figure; only once or twice were his connections mentioned. Yet his past had a vital bearing on the role that he played in the carbine transaction.

Stevens was born on September 22, 1825, in Barnet, Vt. His father, old Henry Stevens, was a farmer and antiquarian, a well-known man throughout Vermont in his time, a collector and dealer in old books and manuscripts and an authority on Vermont history.<sup>146</sup> Simon, one of eleven children, prepared for Yale, but instead of going to college, he moved to Lancaster, Pa., and there read law in the offices of Thaddeus Stevens, the intransigent abolitionist. Though bearing the same surname, Simon was in no way, even in the most remote degree, any kinsman of Thaddeus's.<sup>147</sup> Simon was admitted to the Pennsylvania bar about 1844, and after practicing law in Lancaster for some time, he went to Washington, apparently as Thaddeus Stevens's political secretary. He was admitted to practice law before the Supreme Court, and he married a Mrs. Chubb, the widow of a Washington banker. He said afterwards that he met Frémont in 1855, doubtless in connection with the early organization of the Republican party.

Late in 1860 or early 1861, after the election of Lincoln but before his inauguration, Stevens, then 35 years old, removed to New York, where Republican appointees were taking over federal posts and where the municipal administration was also shortly to fall into the hands of the lusty young party. A henchman of powerful leaders in the Republican party, Simon's connections landed him a job.

In the early '60's it was the practice for samples of foreign goods entering the port of New York to be carted for customs' examination from the wharves to appraisers' stores, as they were called. Before 1859 the carting, unpacking, repacking, and handling had been done directly by the Government. But there had been much criticism of the Government's wasteful employment of labor in this work, and as a result the Buchanan administration had farmed out the work, as a reform move, to a group of four private contractors at a saving in cost. The waste had previously been so considerable that they still had leeway for profits. They were Democrats, and their contract was to run for three years, until September 5, 1862. When the Republicans took office, the Democratic contractors, appar-

ently afraid that the new Administration would find a way to squeeze them out, assigned their contract to Simon Stevens and another Republican for \$20,000, retaining however a silent interest in it. Stevens and his associates were backed by unnamed parties. Stevens assumed his duties supervising the work on May 11, 1861, just a few months before the sale of the Hall carbines to Frémont. He continued in the job, occupying an office in the Government store at 56 Broadway, until the expiration of the contract on September 5, 1862. No fraud against the Government in the transactions relating to the customs house contract was ever seriously alleged; nor any charges of bribing or corruption. Stevens and his Republican colleagues were demanding a share in what had been Democratic spoils; they crowded their way into a somewhat lucrative contract. (Over sixteen months the total profits were about \$80,000.)

Simon had a sister, Miss Sophia C. Stevens, who in 1850 as a teacher in the Hartford, Conn., Public High School had taught young Pierpont Morgan arithmetic, history, and grammar. He also had a brother Henry, six years his senior, who had removed to London in the summer of 1845. By 1861 this brother had become well established in London as the leading buying agent for American libraries and book collectors abroad; he represented, among others, the Smithsonian Institution. Henry Stevens was one of the prominent members of the American colony in London; he and a much younger brother, Benjamin Franklin Stevens, who arrived in London in 1860, were destined to make an enduring place for themselves as specialists in Americana and as bibliographers. Henry had already become a friend, apparently a close friend, of George Peabody; and he was well known to Junius Spencer Morgan, Peabody's partner in the banking business and J. Pierpont Morgan's father, then resident in London. It may well be that when the young Morgan had visited his family in London in the middle '50's, he had met Henry Stevens.

Simon Stevens and young Morgan could hardly have known each other well, for they had led their lives far apart; although it is possible that in journeying between

his home in Vermont and Lancaster or Washington, Simon may have stopped in the Hartford hotel owned by Morgan's grandfather, and there met the Morgan family.

Simon Stevens had been in New York only a few months when Eastman offered him the 5,000 Hall carbines, and he needed some \$20,000 to take up the arms. With the highest sponsorship in the Republican party, this 36-year old politician and business man turned to the former pupil of his sister, the 24-year old son of his brother Henry's friend. It was a natural place to go, and it was natural for young Morgan, with his loyalty toward friends, to make a loan, against ample collateral, to a person of Simon's family and connections. The two men had had no previous business dealings together, and young Morgan looked only to the soundness of his loan.

Before the end of August Eastman was pressing Stevens to pay him the balance due on the arms. Far from helping Stevens at this juncture, Morgan was himself demanding immediate repayment of his loan. And so Stevens turned to Ketchum. It will be recalled that more than once Ketchum testified<sup>148</sup> that he had made his advances, not only on Frémont's purchase agreement, but also on the strength of a letter of introduction. This letter, significantly, was *not* from Ketchum's young friend Morgan, but from one George Opdyke. The Republican party had just come into power for the first time in a national election. Opdyke had been active in the convention that nominated Lincoln. In the late fall of 1861 he was to run for mayor of New York, and to be elected the first Republican mayor of that city. Opdyke was a political power, competing in influence in New York state with Thurlow Weed of Albany. Simon Stevens by reason of his customs house contract was immersed in partisan politics. When the Hall carbine deal came his way, what could have been more natural than for him to ally with himself some political associates? Perhaps George Opdyke (not yet an office holder) was one, and perhaps this explains Opdyke's interest in bespeaking Ketchum's favor on behalf



of Stevens. If this is what happened, it is easy to see why a Republican investigating committee may have thought it unwise to insist on the disclosure of Stevens's associates.<sup>140</sup>

There are various straws of evidence lending additional color to our surmise that Opdyke was Stevens's partner. It is known that Opdyke at about this time was dipping into the arms market and participating in another carbine contract. Before the end of 1861 he became financially interested in Marston's arms shop, where most of Stevens's guns were altered. Finally, he was in Washington on January 22, 1862, the day when Ketchum re-appeared before the House Investigating Committee to plead his case for full payment, and it is a tempting hypothesis that he was there to use his influence with his Republican friends in the same cause.

It is impossible, on the record, to condone Stevens's conduct in the Hall carbine case, or to paint his personality in pleasing colors. He pretended to be Frémont's friend, but he did not hesitate to make a large profit out of the General's needs, and was the cause of embarrassment to the General later when the facts became public. As we have seen, even his patron, Thaddeus Stevens, could not stomach the carbine transaction, admitting on the floor of the Senate that "it was a speculation which may not be very pleasant to look at". Stevens emerges from the testimony a mediocre figure—tall (he was six feet two inches in height), erect, robust, energetic; but cocky, indiscreet and boastful in his talk, tricky in business but clumsy withal, apparently a bully toward his subordinates. He did not, however, lose the confidence of Frémont, for in the summer of 1862 he served as intermediary in introducing Frémont to Ketchum and Opdyke for the re-financing of Frémont's California gold mine, the Mariposa stake. This was a disastrous negotiation for Frémont, who soon found himself deprived of most of his interest in the property and in deeper financial straits than before. A vivid picture of Stevens and the world he lived in—Frémont, Opdyke, Ketchum, etc. (Morgan was not mentioned)—is to be found in the record of the famous libel suit of *Opdyke v. Weed*, which filled the newspapers for weeks in the winter of 1864-5.

Apparently Stevens was a friend of Horace Greeley's until the latter's death, breakfasting with the old editor on Sunday mornings; and he seems to have become a friend and supporter of James G. Blaine. May not his friendship with Greeley have originated at the time of the Hall carbine disclosures, when both men were interested (though for different reasons, one patriotic and the other to establish his contract) in vindicating the reputation of Frémont?

In 1864-6 Stevens was in partnership with his brother Benjamin Franklin Stevens, engaging in the London-New York book trade. A few years later we find him with the grandiloquent title of president of the Tehuantepec Railway Co., an abortive enterprise for constructing a railroad across the Mexican isthmus. Years afterwards he reappears as something of an authority on New York riparian rights, with offices at 61 Broadway, though he was never admitted to the New York bar. He died on August 28, 1894, and was buried in Woodlands Cemetery, Philadelphia.

\* \* \*

So stood our information about Simon Stevens, and those were our inferences concerning his character, when this book went to press for its first edition in 1941.

In the summer of 1946 my brother and I visited Barnet, the town in Vermont that old Enos Stevens, father of Harry Stevens the antiquarian, had founded in the late 18th century. We learned that in the earliest days the town had even been called Stevens' Village, after its leading family. But now there is not a soul in Barnet bearing that name, apart from the many that lie silent in the graveyard.

However, we found in Barnet one life-long resident, Miss Edith Harriet Wallace, a gracious lady of distinguished mien, who welcomed us to her home, where all the furnishings even to the golden wall paper, seemed to come down from a century ago. (Her grandfather's clock was brought over in 1785, and had ticked, she told us, several billion times, according to careful calculation.) Now she too was the last of her line. Her memory was peopled with the departed citizens of Barnet, and her father and she had known

the Stevens family well. Of "Frank" (Benjamin Franklin) Stevens she spoke with special warmth, and from her we learned that Sophia, who had come to know Nathaniel Hawthorne in Rome, had inspired the character of Hilda in the *Marble Faun*.

Our hostess had met Simon Stevens only once, late in his life. He had left Barnet early, she explained, and then had ignored the town for most of his life, as though he was too good for it; but in the end he came back for a visit and gave a reception for old family friends in the inn, which was called The Sheaves. (The inn burned down in 1891.) I asked her about Simon's character. She said firmly that he had had a *very* high opinion of himself, and he was doubtless a smart man, but (and here she apologized for saying a cruel thing) he was a "bloat": her father had once told her, she recalled, that Simon was the kind of man who would eat in an ordinary restaurant and then go and pick his teeth on the steps of the Fifth Avenue Hotel.

## Epilogue

From the elaborateness of our account of the Hall carbine affair, one might gather that it had historical importance. It had none. By a combination of circumstances, there has survived a wealth of readily accessible documentation revealing in minute detail, often from divergent angles that invite cross-checking, almost every phase of this obscure transaction of three-quarters of a century ago.

Frémont, battered by criticisms, lost his command of the Western Department. But his purchase of the carbines had nothing to do with his removal: it was exploited to some extent, and unfairly, by men who were already his enemies, as additional ammunition against him. The burden of their charges against him lay in fundamentals, not in small-change.

Cameron lost his post in Lincoln's cabinet because of his mishandling of government contracts. But his authorization of the sale of 5,000 carbines to Eastman was such a small matter that it did not figure in the vote of censure passed by the House of Representatives against him on April 30, 1862, in which only his *purchases* were mentioned.

Ripley, who was primarily to blame for the sale of the carbines in a time of need, remained Chief of Ordnance for two more years, before being eased out into a less active post by Cameron's successor.

Ketchum's old and important banking firm went down in bankruptcy under tragic circumstances before the Civil War had long been over; but his claim against the government played no part in that event.

Morgan's subordinate role in the episode passed virtually unnoticed at the time, and there is no reason to believe that he ever gave it thought during the ensuing half century in which he lived out his career. For the Hall carbine affair lay completely forgotten in the archives of the Civil War until about 1910, some three years before his death.

\* \* \*

And so we have completed our narrative of the Hall carbine affair. What will the moralist say about J. Pierpont Morgan's role in it? The marxists, their thinking grooved to their Predetermined Plan, find the answer easy. This rich, well-born young man facilitated a wretched transaction. What if he was not fully informed? He personally took delivery of the arms at the Government arsenal, and he refused to ship all the arms to Frémont until Frémont's subordinate had paid Steven's exorbitant price for the first batch. Off with his head!

But the moralist, who weighs evidence by other standards, will consider various things. Morgan did not initiate any phase of the deal. At the age of twenty-four he was asked to make a safe loan by a man with whom he had had no previous dealings, a man twelve years his senior, a man with a ready tongue, a man who could point to impressive political connections, a man whose family background must have served as a splendid introduction. Morgan only lent money and took charge of the carbines while they were being altered; he was not a partner with a split in the profits. The evidence permits the possibility that when he lent the money he did not know the terms of re-sale. It is certain that shortly after he lent the money, and before the scandal broke publicly, he was striving to liquidate his interest in the affair, and in this after some days he was successful. The moralist will also observe that no contemporary, in any of the investigations, singled out Morgan for censure. They treated him as the minor figure that he was. At the time of the episode there seems to have been no occasion for Morgan to tell his side of the story, and now we shall never hear it. The charge of evil-doing was not leveled against him until 1910, when he was old and tired and weighed down with cares of larger scope; and then the charge, built upon gross factual misstatements, appeared in a book steeped in marxist bias that drew little attention on its appearance and that Morgan may never have seen. If he did see it, he naturally ignored it.

These being the circumstances, the reader will deliver judgement.



*Part II*

HISTORY INTO LEGEND





## *What Happened*

The facts in the Hall carbine affair are clear. Before pursuing their metamorphosis into legend, it will be well to recapitulate them.

Late in the spring of 1861, when the War of Secession was just getting under way, the Chief of Ordnance of the United States Army, James W. Ripley, agreed to sell a lot of more than 5,000 smoothbore guns to one Arthur M. Eastman at \$3.50 each, being all of the Hall model that the Government owned.

Though no one questions Ripley's good faith, his sale of the Hall arms proved a blunder. It should have been evident to him that in the emergency no serviceable arms could be spared. Of those that he was selling, 5,000 were carbines in new condition, in their original packing boxes. They had been made on Government order between 1848 and 1852 by Simeon North at Middletown, Conn. The Government had inspected, accepted, and paid for them. The Hall model had enjoyed considerable vogue in the '30's, but the ensuing decades saw rapid progress in the designing of small-arms, and it passed out of favor. General Ripley later alleged that all Hall arms had been recommended for sale in 1857; but the fact is that those in good condition had not been sold, and documentary support for his allegation has not been found. Furthermore, in 1857, when sensible persons were still not expecting war, the Secretary of War had favored the sale of even serviceable arms of all older models to make room in the arsenals for the new guns that were superseding all others. There is no convincing evidence that any responsible army authority had ever condemned the Hall carbines as unserviceable. At most the authorities may have thought in 1857 that there would never be a call for the Hall carbines, and that therefore they should be sold. These guns were a well built, serviceable weapon, and when war threatened, it was madness to sell them at any price.

Eastman had no money to carry out his contract. He tried to re-sell the guns to others, but with no success until

after the rout of the Union forces at Bull Run, late in July, when a stampede began for arms of every description. He then encountered a man named Simon Stevens, who agreed to pay him \$12.50 for 5,000 rifled Hall carbines in new condition. Later the price was cut to \$11.50, the rifling to be left to Stevens. Payment was to be in two instalments, —\$20,000 within a few days, and the balance of \$37,500 a few weeks later. Eastman hid from Stevens the fact that the arms were still held by the Government.

Stevens at once re-offered the arms by telegraph to his friend General John C. Frémont at \$22.00 apiece. Frémont was in command of the Western Department with headquarters at St. Louis, and he accepted instantly, for his troops wanted guns badly. At that time Stevens did not tell Eastman of the sale to Frémont.

Stevens now needed \$20,000 for the initial payment to Eastman, and he sought a loan of that amount from a young man in New York, J. Pierpont Morgan, who had only recently started in business for himself.

Morgan lent \$20,000 to Stevens on August 7. He took the arms as collateral: by the most conservative valuation, they were worth two or three times the amount of his advance. He stipulated that when Stevens sold them, the bills should be made out in his favor, so that he would be reimbursed out of the first proceeds. He advanced certain additional sums to pay for the rifling of the carbines and incidental expenses. On September 14, 1861, thirty-eight days after he made his loan, payment for the first half of the arms reached him. He deducted \$26,343.54 in liquidation of his loans, including interest and commission, and he never had any further interest in the Hall carbine affair. In due course all the carbines reached Frémont's troops; they appear to have given good service and caused no serious complaints.

Early in the fall of 1861 the shocking circumstances of the Hall carbine transaction became known,—how one branch of the Government had sold for \$3.50 smoothbores that another branch had bought, after rifling, for \$22.00. The Government at once held up payment for the second

half of the arms, and there was a general hue and cry. A Congressional committee held hearings and submitted tentative findings. The War Department took testimony, assembled documents, and made recommendations. General Ripley submitted certain information to Congress in a special report. General Frémont was questioned by the famous Joint Committee on the Conduct of the War. There was a debate on the Hall carbine affair in the House of Representatives, and scattered comment appeared in the press.

Stevens persisted in his claim for his final payment, supported by a financial backer named Morris Ketchum. Ultimately Stevens brought suit in the Court of Claims, Ketchum however having the chief interest in the claim. In defending the case, the Government invoked a legal technicality, the United States Solicitor contending that under an old law Frémont had no authority to buy arms except through regular ordnance channels. He also contended that \$22.00 was an unreasonable price for the carbines in August 1861. The Court of Claims made short work of the defense. Brushing aside the technicality, it held that a general commanding an army in the field would expose himself to something worse than censure, if he failed to equip his troops as best he could to meet the enemy. On the strength of substantial evidence, it held that the price, in view of the conditions in the arms market at the time, had been reasonable. The Government had a weak case to start with, and it did not carry the case to the higher court.

It must be rare in history that an episode so unimportant as the Hall carbine affair is so thoroughly documented. The various hearings and reports and depositions make possible an accurate cross-check of almost every phase of the transaction. In the person of Ripley the Government displayed that lack of business sense which often afflicts democracies, and Eastman the speculator stood at his elbow to profit thereby. Stevens, another speculator, exploited his friendship with Frémont and the latter's needs to make another large profit. At the same time, in fairness to Stevens, it should be borne in mind that no fraud tainted

his transaction. Frémont knew exactly what he was buying, and he received exactly what he ordered.

As for Morgan, he had no part in initiating the purchase from the government or the sale to the government. In thirty-eight days his loan was paid off. He was never called to testify, much less did he ever push a claim—he had none to push—and no one ever disputed his right to reimbursement. In the contemporary discussion of the case, the press ignored his minor role; neither the House Investigating Committee nor the War Department in their reports singled him out for criticism; in the Congressional debate his name was mentioned only once, and then only to emphasize his circumscribed interest.

When young Morgan made his \$20,000 loan to Stevens on August 7, 1861, he knew that the proceeds were going for the purchase of arms from the Federal government. He was in a position to satisfy himself that the sale of the arms by the Government had been approved by the Chief of Ordnance and the Secretary of War. On the other hand, though the documentation concerning the whole affair is extraordinarily complete, there is an absence of evidence to show that Morgan knew, when he made his loan, of Stevens's re-sale of the arms to Frémont. There is circumstantial evidence to support the supposition that he was not privy to the Frémont contract. Before the month of August was out, and weeks before the public scandal broke, Stevens was in acute need of more money to pay off the balance that he owed to Eastman, but Morgan, far from accommodating him further, was himself demanding immediate repayment of the loan he had already made. Stevens got relief finally from Ketchum, a friend of Morgan's; however, Stevens met Ketchum, not through Morgan's good offices, but through another man's. Clearly Morgan's relations with Stevens became strained, for some reason, soon after he made his loan.

At the time of the Hall carbine transaction, Morgan, then 24 years old, had had no previous dealings with Stevens; if they had known each other at all, the acquaintanceship was slight. There were reasons, however, why Morgan

should be predisposed favorably toward the applicant. Stevens, by twelve years Morgan's senior, was highly connected in the Republican party, being a protégé of the powerful Thaddeus Stevens and in good relations with the two Republican leaders in New York City, Hiram Barney and George Opdyke. Fully as persuasive was his family background. Simon's father was a leading citizen of Vermont, of excellent reputation. His sister Sophia had been young Pierpont's school teacher in the Hartford, Conn., high school. His brother Henry was one of the foremost members of the American colony in London, where he held the important post of U. S. Dispatch agent and represented the Smithsonian Institution. Henry was a friend of George Peabody's, and of Peabody's partner, the father of Pierpont, Junius Spencer Morgan. Young Pierpont may well have met Henry in London.

## *A Legend Is Born*

For almost fifty years the Hall carbine affair slumbered in the official archives, forgotten of everyone. J. Pierpont Morgan lived out his career and was approaching the end of his days when, in 1910, a socialist named Gustavus Myers brought out the third volume of his *History of the Great American Fortunes*. In the section devoted to Morgan he resuscitated the Hall carbine episode.

Myers has related his difficulties in finding a publisher for his work, and on its appearance many critics were cool to it. But as the decades rolled on it gained readers and admirers, and the publication of a new edition in 1936 by the Random House, Inc., was the occasion for a flurry of critical acclaim. John Chamberlain had already called it a "masterpiece of digging in the archives"; elsewhere he had spoken of Myers's "almost religious respect for facts", and again: "Mr. Myers works from documents, spending patient minutes, hours, and even years in burrowing through the records."<sup>120</sup> Henry F. Pringle had said that Myers's work was "far too little appreciated."<sup>121</sup> Ralph Thompson now added his tribute: "Mr. Myers had not guessed at his facts or his interpretation; he had gone, wherever possible, to sources: State papers, testimony before legislative committees, court reports. He had set down the story as he found it, not interested in making it either 'vivid' or 'sensational'."<sup>122</sup> Ben Ray Redman, another veteran critic, was unstinted in his praise: "In an era of shrill journalism and often indiscriminate muckraking, Gustavus Myers distinguished himself as a historian who was painstaking in his findings, sober in his judgments, and uncompromising in his verdicts . . . there is no quarreling with the accuracy of his history and it is as a historian that he has proved himself almost uniquely valuable."<sup>123</sup> His publishers entertain no doubts about the solidity of his workmanship.<sup>124</sup>

For more than a quarter of a century, Gustavus Myers' *History of the Great American Fortunes* has stood unassailed as a document that has recorded and made national history. . . . No one has yet challenged a single fact in Mr. Myers' work. Every statement is

made with the authority of corroborated and proven evidence. At no time did he indulge in tirades against personal traits, dispositions or temperaments . . . .

Such glowing endorsements are enough to launch any legend on a long career; and to defy the consensus of critical judgments may seem a rash thing, like the child's exclamation about the Emperor's New Clothes. Our interest in Myers and his work is confined to the seven or eight pages that Myers devotes to the Hall carbine affair. (For his text, see Appendix I, pp. 155-162.)

In retelling this episode Myers was engaged in a piece of pioneer research. There was no likelihood that any critic would have the specialized knowledge needed to test his assertions; it was safe—well, almost safe—to assume that no one would ever take the trouble to run down the sources. Obviously, therefore, his duty to his readers was all the greater to digest the entire record of the case, and to present it impartially, even though the results might not confirm his thesis about the iniquity of successful men. Instead he overlooked most of the record and chose from the rest what suited his purpose.

There are five sources of primary material for the Hall carbine affair. By "primary material" we mean the testimony of participants and transcripts of the original documents. Most important are the depositions of witnesses and the exhibits in the lawsuit of *Stevens v. United States*, on which the decision of the Court of Claims was based. Though the record in this case is available only in the files of the Court, it is hard to see how any research worker would risk writing an account of the episode without tapping this material. Yet Myers shows no evidence of having consulted it. Almost equally important are the documents and testimony on which the special commission of the War Department based their report, which were published in full as a public document. Myers does not cite them. Also indispensable is the sworn testimony of the participants in the transaction before the House Investigating Committee; Myers uses the volumes in which this testimony appears, but strangely ignores the testimony itself. Apparently he

was unfamiliar with the testimony of Frémont and one of his aides before the Joint Committee on the Conduct of the War. Nor does he use the documents relating to arms purchases submitted to Congress by General Ripley. In short, Myers cites none of the primary material, and his account of the episode in almost every sentence flouts the original records.

Of "secondary material"—contemporary appraisals of the primary evidence—Myers uses the decision of the Court of Claims; to what purpose will be shown shortly. He leans heavily on the report of the War Department commission, though in quoting from it he confuses it with the report of the House Investigating Committee. He makes no use of the House Committee's interim report, nor of the debates in Congress, nor, with one possible exception, of contemporary press comment. Anyone dealing with the Hall carbine affair might be expected to inquire into the history of the Hall arm and its distinguishing features; Myers gives no indication of such knowledge.

Now for the Myers narrative. In the original episode Morgan was a mute and minor character. Over and over again the records define his circumscribed role: he made a loan, was repaid in thirty-eight days in the normal course of business, and was out. The Hall carbines that he took as collateral were in new condition; the Government blundered in selling them, and they gave good service to Frémont. Myers, like a dramatist who re-works an old script, pulls Morgan to the front of the stage into the juvenile lead role; and to point up the plot, he converts the carbines into old, worthless, and dangerous arms.

The records are clear that Morgan, Stevens, and Eastman were dealing with each other at arm's length. But Myers invents the possibility that Eastman "had been thrust forward to act as a dummy for a principal in the background", presumably Stevens and Morgan. He goes on to say that, when the Government "refused to pay Morgan the \$22 demanded for each of the five thousand carbines," Morgan "pressed his claim," and "thus it was that the case of J. Pierpont Morgan vs. the United States Government



came into the public records." Morgan never "pressed" any claim, and the "case" of Morgan vs. the United States is a Myers invention. The bills for the carbines were made out in Morgan's name as security for his loan, and when he was paid off in thirty-eight days his connection with the transaction was finished. Yet from these bills Myers weaves a "claim" and a mythical lawsuit. He paraphrases the report of the War Department commission as saying that "even at this price [\$13.31 per carbine] Morgan and Stevens stood to make \$49,000 above the price at which the rifles had been sold to them by the United States." This is a garbling of the Commission's statement. Neither Stevens nor Morgan was mentioned in this connection; the Commission nowhere alleged that Morgan had bought arms from the United States, and in fact he had not done so; nor had Stevens; and Morgan was not looking for a penny from the award of the Commission, since his loan had been repaid almost nine months before, thirty-eight days after it was made. Myers asserts that a payment on account was made to Morgan pursuant to the Commission's findings; no such payment was made to him or anyone else. Myers goes on to say: "Did Morgan and his associates get their full demands from the Government? They did." Morgan had made no demand on the Government, and he had no associates.

General Ripley, who was under fire for having sold the carbines, testified that they had been condemned in 1857 with a recommendation for sale. It is a moot point whether they had been condemned, and if so, why; Frémont doubted it. But not Myers, who accepts without question Ripley's assertions, which he paraphrases thus: "In 1857 the army inspecting officers condemned a large number of Hall's carbines as thoroughly unserviceable, and as of obsolete and dangerous pattern." He states that a Congressional committee, inquiring into the case, "reported that the rifles were so bad that it was found that they would shoot off the thumbs of the very soldiers using them." There is no reason to believe that any soldier in the Civil War shot himself in this way, and no Congressional committee made

any such report. The War Department commission, discussing experience with Hall arms in earlier decades, pointed out that occasionally soldiers had wounded themselves with them; no confirmation of this assertion has been found, and the mechanism of the arm is such that the wound could hardly be inflicted except deliberately.

Criticising the Court of Claims for rendering judgement on behalf of Stevens, Myers says that it "took no cognizance of the fact that the worthless, condemned rifles had been represented as new." Note this example of the Myers method. The Court took full cognizance of the evidence bearing on the condition and value of the arms, and came to this conclusion, which Myers fails to quote:

This record abounds in evidence showing that the carbines were of good quality, that twenty-two dollars each was a fair market price for them, and that there was a great demand for and a great scarcity of fire-arms in the market.

The reader of Myers would conclude that Frémont had been deceived as to the merchandise he was buying or the price he was paying; but Frémont was correctly informed in every respect.

Summarizing the Court's decision, Myers says:

Judge Peck held that when Frémont had agreed to buy the rifles he had entered into a contract which bound the Government, and that a contract was a contract.

Nowhere did the judge hold that "a contract is a contract," or anything of the kind, but let the reader bear this phrase in mind for it will recur. Myers's statement gives the reader no inkling of the legal question that the Court faced: whether a commanding general in the field facing an enemy was obliged to seek supplies through regular channels, or whether he could dispense with red tape in an emergency and buy in the open market. The Court gave the only sensible answer.

If Morgan pushed a claim against the Government, as Myers alleges, why does not Myers produce from the complete official files the document signed by Morgan or his

attorney constituting the claim? Or at least some reference to such a document? Why does he not point to any act or word of Morgan's, in the whole course of the Hall carbine affair, indicating that he looked beyond his collateral and his debtor Stevens to the government for financial satisfaction?

Why does not Myers quote a single sentence censuring Morgan in this transaction from Court, judge, attorney, War Department, General, Investigating Committee, Representative, Senator, newspaper, public man, or private citizen of that day? If Morgan was such a villain, why did nobody discover it at the time? Why was this plenary Revelation reserved for Myers fifty years later? Is it in fact Apocalypse or Apocrypha? That saying of Henry Ford's, "History is bunk," would truly describe "history" of the type of the Hall Carbine Legend, for it would fall under the head of what the Catechism forbids as "evil-speaking, lying, and slandering."

In his conclusion Myers says of the Court of Claims decision:

It was this particular decision which assured the open sesame for the holders of what were then cynically called "deadhorse claims" to collect the full amount of their swindling operations. The Government could now plead itself defenseless against the horde of contractors who had bribed officials to accept decayed ships and defective armor, worthless arms and shoddy clothing, flimsy tents, blankets and shoes, and haversacks which came to pieces, adulterated food and similar equipment and supplies.

Is this passage merely a florid elaboration of the following sentence (already cited on p. 54) in the Washington dispatch that appeared in *The New-York Times* on May 13, 1867?

This decision opens up a wide field for the owners of "deadhorse" claims, and the contractors who furnished shoddy clothing and worthless arms to the Government, on the telegraphic requisition of extravagant commanders, can step in and get the satisfaction which they were denied at the War Department.

Myers appears to have appropriated the *Times* dispatch uncritically. The fact is that the Stevens case had no im-

portance as a precedent. Certainly it could have had no bearing on the claims that Myers mentions where bribery had been used, for bribery would have introduced a different issue.

Many of Myers's effects are achieved by subtle means that no casual reader could be expected to catch. They almost defy exposure, for to analyze them is to blow away their fragrance. Here are some examples:

1. It will be recalled that one of the minor participants in the Hall carbine transaction was a Captain Callender, in charge of the St. Louis arsenal. Myers quotes from the decision of the Court a passage referring to Captain Callender, but lo, plain Callender becomes Cadwallader! This was perhaps a mere slip, but how tempting is the alternative hypothesis, that it was a delicate touch to plant in the midst of the noisome tale a name universally associated with affluence and social standing.

2. Then there is the technique of misleading footnotes. Any piece of research must be documented, but the unwary are apt to think that anything with footnotes is a piece of research. How many persons look up footnote references? Myers's first footnote in his account of the Hall carbine affair identifies Stevens as a member of a "clique involved in custom-house frauds," who had obtained a contract "corruptly." The evidence justifies no allegations of either fraud or corruption. In his next footnote Myers dwells on the "frauds" at Frémont's headquarters, on the court-martial of one Major McKinstry, and on the bribery of union officers. This footnote is without relevance to the Hall carbine transaction, but, as we shall see in the pages of a later writer, the careless reader gathers the impression that there must be some connection. The noxious atmosphere contaminates the context. In his concluding citation from his Civil War sources, Myers quotes the censure passed on war profiteers by "the House Select Committee on Government Contracts"; it turns out that the passage he quotes comes from a minority report of the Committee signed by a single member!

3. Only once does Myers refer to the testimony of any witness, and then he chooses, not Frémont, not Ripley, not Eastman, not Stevens, not Ketchum, not in fact any of the participants in the transaction, but an outsider, one Marcellus Hartley. Here is what Myers says:

... Marcellus Hartley, himself a dealer in arms and a self-confessed swindler, had declared before the committee, "I think the worst thing this Government has been swindled upon has been these confounded Hall's carbines."

There are a number of comments to be made on this sentence.

Myers calls Hartley a "self-confessed swindler." But from a reading of Hartley's own testimony one gathers the impression of a self-respecting merchant impatient with profiteering. There is no reason in the sources that Myers cites to think he was a swindler; certainly he was not "self-confessed." The War Department commission, in fact, granted the claim of Hartley's firm in full, mentioning particularly that the price asked by them for Enfield muskets was reasonable.<sup>18</sup> Myers scatters defamatory words right and left, with utter recklessness.

Again, observe how far afield Myers goes for a condemnation of the Hall carbine transaction. In the same volume where Hartley's testimony appears, Morris Ketchum, testifying, defines to the last penny Morgan's interest in the business, reveals his own interest in it, and gets at the vitals of the whole affair. Myers takes no notice of the examination of Ketchum. Instead, he digs up the *obiter dictum* of a bystander, Hartley. After Hartley had testified, a merchant named William J. Syms took the stand, and he volunteered this comment:

I still think the Hall's carbine and the Hall's rifle as good guns as there are in the service.

Why does Myers pick Hartley and not Syms? Or why does he not quote both? And how could he overlook Ketchum?

Finally, the readers of Myers would fairly conclude that Hartley was speaking specifically of Frémont's purchase of carbines. Yet if he had quoted the full passage it would be

clear that Hartley was speaking in vague and general terms of the dizzy rise in quotations for Hall arms, with special onus on some unidentified earlier transaction. Here is the full passage:

I think the worst thing this government has been swindled upon has been those confounded Hall's carbines; they have been elevated in price to \$22.50, I think. They passed from hand to hand at six dollars, ten dollars, twelve dollars, fourteen dollars, and twenty dollars; *and the man who got twenty dollars was not as much to blame as the man who got ten dollars.* [Italics not in original]

We have dwelt thus at length on the Myers text because it was the precursor of all later accounts of the Hall carbine episode. In the technique of controversy there is no more effective device, however questionable, than the vigorous assertion of alleged facts. The audience, taken disarmed, yields ground. Time does the rest. Myers himself has aptly (shall we say authoritatively?) described the process in another connection:<sup>156</sup>

... bare assertion, when repeated often enough, becomes established as seeming truth; and the mere scrutiny of it may then be looked upon as presumption.

Ben Ray Redman, a quarter of a century after Myers's work appeared, distills the essence of history as Myers writes it: "On every page of this record, greed is triumphant, force ruthless, and fraud profitable."<sup>157</sup> Is it to be wondered that Greed, Force, and Fraud always hold the field, when Myers weaves the tapestry?

Myers's publishers, as we have seen, say that "at no time did he indulge in tirades against personal traits." Bearing in mind that Morgan never sold any arms and never pressed a claim and was never called as a witness in the Hall carbine case and was never singled out for criticism, and that the arms gave satisfaction to the troops who used them, we will close this section with Myers's final angry diatribe on the Hall carbine case, a purple passage to be found at the opening of the next chapter of Myers's famous work:

Could this Morgan [of later years] be the same who started out by successfully palming off upon the Government during the Civil War five thousand of its own condemned rifles, and at extortionate prices? Was it possible that the man who profited from arming the nation's soldiers with self-slaughtering [sic] guns could be the same Morgan whose power later was "greater than that of President or kings"? Was the great, sublime patriot of subsequent times, J. Pierpont Morgan, the same Morgan who came into collision with investigating committees during the Civil War, and who was practically denounced in the severest language? Verily, he was the same man, the identical same. Behold him in the budding of his career, and observe how he began it; and behold him in after decades, glutted with wealth and power, covered with honors, august dispenser of benevolence, the incarnate source of all wisdom, financial and otherwise, the mighty man of commerce and of the arts, the idol of capitalist ideals.

Between that Civil War transaction and his later sway, necessarily there lay a long category of deeds. Undisputably he began his career with proofs of exceptional brilliance. Had his first business achievement—that of the condemned rifles—been judged by the standards of the "lower classes", he would have been thrown into prison, or had the soldiers who had to use the guns come within his proximity, the life, peradventure, might have been shot out of him then and there.

Could there be irony more biting? The eloquence, the display of righteous indignation, and all for what? A judge pronounces dread judgement, while those in the secret know that the only crime is the judge's framing of a victim.

\* \* \*

In reviewing for *The New York Times* (Dec. 17, 1939)\* Herbert L. Satterlee's life of the elder Morgan, Allan Nevins drew approving attention to the author's exculpation of Morgan in the carbine deal. (Both author and reviewer had studied the manuscript of this book.) Gustavus Myers thereupon addressed a long letter to the newspaper defending his version. Before publishing the Myers letter, the Editor passed it along to Mr. Nevins, who prepared a careful rejoinder, and this in turn the Editor showed to Myers. Rather than face the confrontation, Myers withdrew his letter, and neither saw the light of print. From other directions at about this time Myers learned that his handling of the carbine affair was under fire. He never made a public

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\* *Infra*, p. 114.

reply. He was already engaged in preparing his final book,—he had chosen to write a history of bigotry in the United States! He brought this undertaking to term, thanks to the timely aid of a Guggenheim grant, in mid-1942. He fell ill in August, and died some months later, at the age of 70, on the night of Monday, December 7, 1942.

In an obituary editorial published on December 10, *The New York Times*, with unintentional felicity, rounded off the life of Gustavus Myers with a happy reiteration of the old fiction:

His . . . method was one of exhaustive and patient research summed up in a straightforward narrative which let the facts speak for themselves.



### *Lewis Corey's Version*

Lewis Corey's *The House of Morgan* appeared in 1930, and in it he devoted about five pages to retelling the Hall carbine story. Like Myers, the marxist Corey won for himself a reputation in some quarters for dependable research; John Chamberlain once said of him that he "does not like to deal in generalities, unless they are firmly grounded in reality".<sup>158</sup> Though Corey must have learned of the Hall carbine episode from Myers's work, his version of the episode shows that he took the trouble to consult Myers's sources; his quotations are not the same, and he cites the debate in Congress that Myers ignored. (For Corey's text, see Appendix II, pp. 163-171.)

In many minor respects Corey equals Myers in fantasy, and in one major instance he scales new heights. Like Myers he shows no familiarity with the primary sources, though he cites Ketchum's testimony. He refrains from defining Morgan's limited part in the affair, and in fact refers to Eastman, Stevens, and Morgan as "the conspirators", thus asserting that these three strangers were hand in glove with one another. He says of the Hall arms that they "were more dangerous to Union troops than to the Confederates", which is wholly untrue but which sounds suspiciously like a statement in the records about certain obsolete Austrian muskets.<sup>159</sup> He leaves with his readers the impression that Ketchum refused to disclose to the investigating committee the amount of his commissions on his loans to Stevens, whereas, after refusing, Ketchum made a complete disclosure. He characterizes the Court of Claims judgement as a "strictly technical decision", whereas it was just the reverse: if the Court had sustained the Government's case by a narrow interpretation of the statute, it would have tied the hands of any commanding general in hopeless red tape. He repeats Myers's mistake that the Stevens decision was an important precedent favoring numerous undeserving claimants against the Government. In a footnote he garbles Stevens's connection with the cus-

toms service, making up an allegation that Stevens confessed to paying \$42,000 in bribes and giving an erroneous citation for his source.

But these are all details in comparison with Corey's dazzling contribution to the Hall carbine saga. On page 61 of *The House of Morgan* he says this:\*

... The claim for payment, Morgan insisted, was justified because his House had "made advances in good faith to Mr. Stevens on the security of his agreement with General Frémont." This claim of "good faith" was dismissed by the committee since Morgan "declined to disclose the terms" upon which the advances were made to Stevens. The committee said:

"Nor is it an unfair inference, from the unwillingness evidenced by the House in question [J. Pierpont Morgan & Co.] to state the terms on which their advances were made, that if these terms were disclosed they might supply evidence that, during the negotiations for funds, doubts as to the sufficiency of the security had actually presented themselves, and that the confidence claimed to have been felt by them was largely mingled with distrust."

On referring to Corey's source one finds that the reference is not to Morgan, but to Ketchum, Son & Co. *Corey has simply substituted Morgan's name for Ketchum's*, and thus brought down on Morgan's head an official reprimand directed against others. Immediately afterwards Corey proceeds to quote a "discourse . . . on equity and good citizenship" that he alleges was directed in the report at "Stevens, Morgan, Ketchum, and Eastman". On referring to the original, one finds that *the context at this point in the report refers expressly and solely to Stevens*.

Here, in Corey's text, we find altered documents masquerading as history.

Who was this "Lewis Corey" whose books on Morgan and capitalism drew generous attention from reviewers in the early 1930's?<sup>100</sup> His publishers did not disclose his identity, and the reviewers failed to dig it out. "Lewis Corey" was not the author's original name: he was born in Italy in 1892 or thereabouts as Louis C. Fraina. Under that name he was convicted by a jury in federal court early in the

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\* The name in brackets in the second paragraph appears thus in Corey's text.





First World War on a charge of conspiring to defeat the draft act. In the ensuing years he was conspicuous as a Communist leader and writer, and visited Moscow and Mexico. It is said that he returned to the United States in the summer of 1923 across the Mexican border: we are unable to say what passport and name he used at that time. After a falling out with the Communist party, he dropped from sight for some years, emerging as "Lewis Corey" toward the end of the 1920's. He soon resumed his campaigning on behalf of Communist candidates, and in the early 1930's he appeared under his new name in the list of Assistant Editors of the *Encyclopaedia of the Social Sciences*, a fifteen volume work published by Macmillan and edited by Edwin R. A. Seligman and Alvin Johnson. Later he joined the faculty of Antioch College, in Ohio.

## *The Story Told at Fourth Hand*

*The New York Times* on February 21, 1932, published in the *Book Review* section a letter from Gustavus Myers in which he made a serious complaint:

Frequent recent instances of authors appropriating material from various of my books induce me to request the courtesy of your columns for a protest.

The research alone on my books has taken years of exhaustive work. Frequently this has entailed the exploration and study of thousands of documents the contents of which had never been investigated. The ascertainment and development of a single fact has sometimes taken months of hard labor. Likewise inquiry into the complete verification of a fact in all of its phases or the unfounded nature of an allegation has necessitated much time and the application of resourcefulness in the faculty of research.

Obviously the full references that I give to these documents constitute one of the most valuable essentials of my books. Without, however, specifically pointing out these books as the sources of their easily acquired information, the authors in question adopt an evasive practice. They give a list of the documents, representing them by omission of the source as the results of their own original research. No mention is made of the pioneer works from which this documentary information was lifted, but casual reference is made to some expression in my books as though all that was taken comprised an incidental statement.

Whatever may be the merits of Myers's research work (and we have seen how critics have taken him at his own valuation), his complaint about pirating, at least as to the Hall carbine affair, was amply justified. Apart from Corey, there is no clear evidence that any writer has hitherto troubled to go behind Myers and his sources when re-writing the legend. Myers is entitled to full credit. We have seen that Myers and Corey relied on secondary sources, so that their narratives are, so to speak, at third hand. The following versions of the tale, being based on Myers and Corey, are therefore at fourth hand.

### I.

In 1930 The Vanguard Press brought out John K. Winkler's *Morgan the Magnificent*. The page that he devotes

to the carbine episode is drawn solely from Myers, almost every sentence being directly traceable. (For text see Appendix III, pp. 172-174.) At the same time it is a farrago of Myers, hardly a sentence being faithfully restated. Winkler joins Eastman and Stevens (utter strangers to each other) in partnership. He has tests (non-existent) showing the carbines to be obsolete. He has Frémont refusing payment for the carbines, whereas Frémont advocated payment in full. He has the award of the War Department commission jumbled beyond remedy. He quotes the Court of Claims as reaching the jejune conclusion that "a contract is a contract," whereas this is Myers's wording, and a preposterous travesty of the Court's decision. Finally, he concludes with what purports to be a direct quotation from Gustave [sic] Myers about the effect of the decision on our old friends the "deadhorse" claims; but the direct quotation turns out to be a paraphrase with liberal embellishments. Winkler adds his own mite to the snowballing legend: he says that the carbine episode provoked ugly charges that pursued Morgan all his life, which "so far as the writer is aware" he never answered. The fact is that no one before Myers criticised Morgan's part in the affair. It is doubtful whether Morgan ever read Myers, and he certainly left this world undisturbed by charges connected with the Hall carbine transaction.

## 2.

In March 1934, the choice of the Book-of-the-Month Club was Matthew Josephson's *The Robber Barons*, published by Harcourt, Brace & Co. His page on our Hall carbine affair is a blend of Myers and Corey. (For text see Appendix IV, pp. 175-179.) He has the carbines shooting "off the thumbs of the soldiers using them", copying Myers's invention. He has Morgan pressing a claim for the full payment of the arms, which is again Myers's mistake. He has a Government committee demanding "that Morgan disclose the terms upon which he had entered the transaction, though without breaking his obdurate silence,"

which was Corey's changeling; and, following Corey, he applies to Morgan "and his fellows" the sermon that the War Department commission directed at Stevens.

3 and 4.

In May 1934, the Book-of-the-Month Club honored with its selection *Merchants of Death*, by H. C. Engelbrecht, Ph.D., and F. C. Hanighen, published by Dodd, Mead & Co. Almost simultaneously, Harper & Brothers brought out George Seldes's *Iron, Blood and Profits*. (For texts see Appendices V and VI, pp. 180-186.) Both books dealt with the trade in munitions and their authors did not overlook the Hall carbine episode. They merely paraphrase Myers, and though Seldes mentions Myers in his text, and the other book cites Myers in a footnote, no reader would guess their utter dependence on the *History of the Great American Fortunes*. All that they do is to condense the original, iron out some of Myers's angularities of style, and assert baldly what Myers implied. Note, for example, the parallelism in the extracts on the page that follows this:



*Myers:*

... Five thousand of them, however, still remained in the army arsenal in New York and were there when the Civil War broke out.

On May 28, 1861 one Arthur M. Eastman, of Manchester, New Hampshire, made an offer to the Government to buy these rifles at \$3 each.

Knowing the great frauds going on in the furnishing of army supplies, the Government officials might well have been suspicious of this offer, but apparently did not question its good faith. The rifles were sold to Eastman at \$3.50 each. But either Eastman lacked the money for payment, or had been thrust forward to act as a dummy for a principal in the background. One Simon Stevens then stepped on the scene, agreeing to back Eastman to the extent of \$20,000, which sum was to be applied for payment for the rifles; as collateral security Stevens took a lien upon the rifles. But from whom did Stevens get the funds? The official and legal records show that it was from J. Pierpont Morgan.

The next step in this transaction was in Stevens' telegraphing, on August 5, 1861, a notification to General Frémont, commanding at St. Louis, that he had five thousand new carbines, in perfect condition, and inquiring whether Frémont would take them.

From Frémont's headquarters came word to ship them to the army headquarters at St. Louis at once. During all of this time the carbines had remained at the arsenal in New York City.

Upon receiving Frémont's order, Morgan paid the Government the sum of \$17,486—at the rate of \$3.50 a carbine.

The rifles were shipped direct from the arsenal to St. Louis.

And what was the sum charged upon the Government for them? The bill made out to Frémont called for the payment of \$22 apiece for the consignment.

*Engelbrecht & Honighen:*

... In 1861 there still remained 5,000 of these condemned guns.

Suddenly on May 28, 1861, one Arthur M. Eastman appeared and offered \$3 apiece for them.

This high price should have made the officials suspicious, but apparently it did not.

Back of Eastman was a certain Simon Stevens who was furnishing the cash for the transaction, but the real backer of the enterprise was J. P. Morgan.

After the condemned guns had been contracted for, Stevens sent a wire to General Frémont at St. Louis informing him that he had 5,000 new carbines in perfect condition. Did Frémont want them?

Immediately an order (amounting to a contract) arrived from Frémont urging that the guns be sent at once.

The guns were brought from the government and Morgan paid \$3.50 apiece for them, a total of \$17,486. These condemned carbines were now moved out of the government arsenal and sent to Frémont.

and the bill presented was \$22 a piece—that is \$109,912, a profit of \$92,426.

*Seldes:*

... In 1861 there were still some 5,000 of these rifles awaiting sale in the New York arsenal.

A certain Mr. Arthur Eastman, of Manchester, New Hampshire, offered \$3 each for the lot, but the authorities asked more and finally compromised on \$3.50.

Eastman, however, could not find the cash, but eventually obtained it from Simon Stevens. There are legal records showing that the man who supplied the money to Stevens was the original J. P. Morgan.

General Frémont, in St. Louis, was overjoyed when on August 5, 1861, he received a telegram from Stevens offering him 5,000 new carbines, in perfect condition.

It meant everything to Frémont's command. He gave the order to purchase.

J. P. Morgan thereupon paid over exactly \$17,486 to the New York authorities and shipped the guns to the Missouri authorities. The shipment went from arsenal to arsenal.

General Frémont paid \$22 each for the condemned guns.



Everyone who dips into the original records of the Hall carbine case learns at once that between the delivery of the arms to Eastman and the shipment to Frémont they were rifled, most of them at a gunsmith's in New York but some in Massachusetts. Myers, erroneously, says that "the rifles were shipped direct from the arsenal to St. Louis." Engelbrecht and Hanighen say they "were moved out of the government arsenal and sent to Frémont." Seldes is most terse: "The shipment went from arsenal to arsenal." So error goes echoing down the corridors of quack-history.

Messrs. Engelbrecht and Hanighen conclude their account with the usual formulas: how the carbines shot off the thumbs of Frémont's soldiers, how this aroused great indignation and held up payment of "Morgan's bill"; how Morgan brought suit; how Morgan rejected a compromise settlement that would have netted him a profit of \$49,000; how he sued in Stevens's name and won the case, the Court holding that "a contract is sacred" (this phrase, in quotation marks, is attributed to the Court, but, as we have pointed out before, it is not in the Court's decision, being merely a variant of Myers's invention, "a contract is a contract"); and how the decision was the opening wedge for "hundreds of other 'deadhorse claims'". These authors then wind up with the Marcellus Hartley quotation.

It will be recalled that Myers in a footnote discussed bribery among Union officers and the court martial of a Major McKinstry. Merely by contiguity (since the matter was unrelated to Morgan) the bad odor of this footnote was apt to communicate itself to Morgan. Seldes proved a victim to Myers's footnote, for he informs his readers that the bribery and court martial were an outcome of the investigation of J. Pierpont Morgan!

Seldes of course has the carbines shooting "off at least [sic] the thumbs of the Union soldiers trying to use them." (Neither he nor any of our other writers stops to explain how this was done.) He has Morgan pressing his claim, the suit being known as *J. Pierpont Morgan vs. The United*

*States Government*,—our old familiar phantom suit. He has the Court sustaining Morgan, against every equitable dictate, on the ground—yes, the reader has guessed—that “a contract is a contract.”

### *The Legend Becomes Accepted Fact*

Now we enter the home stretch.

We have seen how Myers and Corey composed the anecdote of the Civil War carbine transaction, and how the authors of other popular books passed it on with embellishments, all of them foisting it off as honest history. We shall now show the extraordinary success achieved by the authors of this legend.

No one can ever assemble a complete collection of references to a legend. Those that are oral are usually writ only in air, and printed references are scattered with the prodigality and carelessness of nature. With casual effort, however, we have gathered together over the course of several years a copious anthology of references to the Hall carbine case. Our sampling of what must be an enormous volume of material will show how rich a crop of tares will grow in the end from one false seed. The Hall carbine affair has become a stock devil in the thinking habits of our time, to be dug up at the right moment and cited as a typical illustration of the morals of capitalism.

*Book Reviewers.* Myers's work was not popular, and seems to have drawn only moderate attention when it appeared. But by the 1920's it had become required reading among certain "intellectuals", and therefore we find that the book reviewers who introduced to the public the various apocryphal accounts of the 1930's welcomed the retelling of the Hall carbine affair as an old friend. When it comes to facts, after all, critics are at a disadvantage with authors, and they often give the authors the benefit of any doubts. Thus the most conscientious critics accepted the Hall carbine yarn, and through the columns of the most responsible journals gave it wide circulation.

R. L. Duffus, in his front-page review in *The New York Times* book section of Winkler's *Morgan the Magnificent*, cited the Hall carbine affair as an episode in the early life of Morgan that "in these enlightened latter days" called "for the exercise of charitable judgment." And then he went on to say:

He took to finance, as Winkler states, "as a cat to cream". In company with two other men, he bought carbines at \$3.50 (the story goes that they were condemned) and resold them to the government for \$22. each. [Aug. 31, 1930]

Robert Morse Lovett, reviewing the same book for *The New Republic*, was ironically charitable:

Mr. Winkler does not conceal his [Morgan's] part . . . in the purchase of condemned carbines from the New York Arsenal for \$3.50 apiece and their resale to General Frémont for \$22, although he suggests that Morgan did not know how bad the muskets were. However, since later wars have demonstrated that to poison soldiers with embalmed beef, to expose sailors to death behind rotten armor plate, to burn up aviators in leaky airplanes is compatible with the highest patriotism, it is not worth while to dwell on this phase of Morgan's career. [Oct. 15, 1930]

Readers of *The New Republic* were to be offered more details a few months later, when Burton Rascoe reviewed Corey's *The House of Morgan*:

Mean-spirited critics, observing only facts and not the high purpose behind them, might be inclined to call Morgan at that age [24] . . . a swindler and a profiteer in the blood and sacrifice of other men. . . . At the outbreak of hostilities there were in the New York arsenal 5,000 carbines which had been condemned by the army inspecting officers as obsolete and dangerous: they had a habit of exploding in the breech, maiming or killing the soldiers who fired them. In a deal promoted by one Arthur Eastman, and financed by J. P. Morgan through a speculator named Simon Stevens, these dangerous carbines were sold at a huge profit to General Frémont in St. Louis, who was badly pressed for arms, while the carbines were still the property of the government and no actual cash had been put up by the sellers. [Feb. 11, 1931]

Allan Nevins in his review of Josephson's *The Robber Barons* told the readers of *The Saturday Review of Literature* in the issue of March 3, 1934, that in it they would find "the now familiar story" of the "unsavory" carbine contract. Robert Cantwell in his review in *The New Republic* of March 14, 1934, noted that Josephson gives us "a glimpse . . . of Morgan selling rejected guns to the government". In the same weekly, only six issues later, Quincy Howe, reviewing *Merchants of Death*, informed his readers

flatly that "the senior J. P. Morgan unloaded defective rifles on the Union army, subsequently suing the government for full payment."

The authors of the apocryphal accounts, in their later writings, have sometimes reverted to the Hall carbine affair to adorn a tale. In 1938 Matthew Josephson followed up his *Robber Barons* with a new book, *The Politicos*, in which on p. 77 he trots out the story:

The contracts for the defective Hall's carbines, which wounded the very soldiers who fired them, in whose financing the youthful J. P. Morgan was involved, . . . were contracted for through agents who were influential figures in the new Republican Organization.

Again, H. C. Engelbrecht, co-author of *Merchants of Death*, retold the story at some length in *The Adult Bible Class Magazine*, in May 1934. According to him, the Hall carbines were "useless and dangerous", and the Government had given orders to sell them "as curios" for about a dollar apiece. The man behind the offer to buy them was J. P. Morgan, Sr. "When Frémont's soldiers tried to fire the carbines, they shot off their own thumbs", and following great public indignation, the Government "refused to pay Morgan's bill". But "Morgan finally won and collected in full for condemned rifles which he had bought from the Government for \$3.50 and sold back immediately at \$22."

*Radical Press.* From an early date the socialist and communist press has worked the carbine affair tirelessly. The earliest quotation that we have found appeared in the *Milwaukee Leader* early in 1917:<sup>161</sup>

It is notorious that war contracts are filled with graft. Most of America's swollen fortunes had their origin in the corruption flowing out of the Civil War.

The house of Morgan came into prominence in the Civil War when the late J. Pierpont Morgan, then winning his spurs as a fledgling financier, bought condemned muskets from the Government for \$2.75 [sic], and without even unpacking them turned around and resold them to the War Department for \$19.50 [sic].

(It is diverting to observe the endless variety in the details of the affair in successive references.)

Twenty-four years later the radical New Ulm, Minnesota, *Journal* was repeating the old song:

The foundations of the House of Morgan were laid during the Civil War when the elder Morgan bought discarded union rifles at bargain prices and then sold them back to the government at many times their cost. [Jan. 29, 1941]

The Communist *Daily Worker* has an insatiable appetite for our Hall carbines. We have not perused its files exhaustively, and so the following excerpts probably are only a few out of many. The *Sunday Worker* on January 26, 1936, told the old, old story in these words:

It was at the opening of the Civil War, though, that he [Morgan] made his first big ripple in the rich pond of finance, when he unloaded guns on a Union general for \$22.00 a piece which he bought from the Government for \$3.50 each—guns which had been condemned as obsolete and dangerous, and which would shoot the thumbs off soldiers using them!

And again the *Daily Worker*, in a book review on April 6, 1936, went over the same ground:

The Morgan firm made a pretty bargain in the Civil War by buying condemned guns from the government for a song and selling these same guns back to the government at high prices for use by Northern soldiers.

The subject of the review was Anna Rochester's *Rulers of America*, and the comment was a paraphrase of what she had written.

In an editorial on June 9, 1937, the *Daily Worker* repeated the dose:

The Morgans started their rise to fortune when the elder Morgan sold defective rifles to the Lincoln government during the Civil War so that thousands [sic] of young American mechanics and farmer boys probably died horrible deaths to provide the Morgans with profiteering riches.

On June 8, 1940, Louis F. Budenz in a front page editorial denounced a transaction between the United States



Government and the U. S. Steel Corporation by comparing its "stench" with "J. P. Morgan's original stealings from the Government in the Civil War," when he bought "'old' rifles . . . from the American Government . . . and sold [them] right back again at skyrocketing prices."

A few months later, on August 18, 1940, another writer told the readers of the *Daily Worker* that J. P. Morgan during the Civil War had not needed "a yacht to fleece the Union. He sold the struggling republic a batch of old rifles which backfired on the soldiers during battle."

On October 15, 1940, still another writer in the columns of the same paper gave a new variation to the story:

Morgan, with the help of his friend Ketchum, bought 5,000 condemned carbines from the United States army arsenal for \$3.50 each and sold them back to another unit of the government for \$22, at a profit of \$92,000. The facts are on record in a Congressional report.

Taking our leave of the *Daily Worker*, we now offer a citation from the writings of the communist wit who bears the pen name of Robert Forsythe:<sup>122</sup>

. . . The Union must be forever grateful to the elder Morgan who kept industry alive during the Civil War by purchasing faulty rifles from the government at \$2 each and selling them back to the government at \$15 each. The business stimulation caused by such transactions not only resulted in the establishment of the Morgan fortune which has done so much for American culture but undoubtedly helped to shorten the war.

*Other Newspapers.* The *Philadelphia Record*, in an editorial attack on Bethlehem Steel Corporation on February 9, 1936, referred to the courts that "upheld the elder J. P. Morgan's sale of worthless rifles to the army during the Civil War." The *Daily News* (New York) informed its enormous Sunday circulation on April 14, 1935, through its special writer Lowell Limpus:

. . . Jay Gould, John Jacob Astor, the elder Morgan, Marshall Field and old Commodore Vanderbilt are among the fortune founders whose methods have been sharply criticised. High points in such criticism include . . . Morgan's sale of condemned rifles to the Government which condemned them in Civil War days.

On June 6, 1937, the same newspaper, relying on Gustavus Myers, wallowed in all the details of the affair in a scari-fying feature article about the sordidness of wealthy men:

Morgan's first stroke of business genius—selling condemned carbines to soldiers—might well have caused their death had not the ruse been discovered. . . . Like Mephistopheles whispering into the ear of Faust, young Morgan tiptoed behind these men [Eastman and Simeon (sic) Stevens] counselling, advising, and paying off. . . .

When Congress noticed what had happened it refused to pay the claim. Morgan pressed suit. Finally it was decided that the Government would pay \$13.31 each for the carbines. The Government sent a check for \$55,550. That didn't satisfy Morgan. He and Stevens sued again to get at least \$17 per carbine. That was the amount the Government paid for brand new guns. They won. The Government sent another check for \$49,000!

*A nice profit for the grandson of John Pierpont, chaplain of the 22d Massachusetts Regiment during the American Revolution! And something for the 36,463 lads in blue and gray to think about before they were reported killed, wounded, or missing at Seven Days, Va.* [sic] [Italics in original.]

As an example of the uses to which the legend can be put, here is an argument used by the Pickens, S. C., *Sentinel* on January 16, 1936, to prove that big business is without conscience:

One of Bryan's most inveterate and fiercest political enemies was the elder J. P. Morgan, and it was natural. To show the different viewpoints of these two great personalities, we might mention that at the beginning of the War between the States the elder J. P. Morgan was a party to selling the United States Government 5,000 guns which four years before had been condemned as unserviceable and dangerous. Private parties bought the guns at \$3.50 each and resold them to representatives of the Union at \$22.00 each. For a second time the guns were discovered to be obsolete. It required a suit in Federal court to collect—but Mr. Morgan got his money.

Now we quote *The Argonaut*, staid West Coast weekly, of June 18, 1937:

. . . It would not have been advisable for the elder J. Pierpont Morgan to have commented very audibly on his transaction with the war department of Abraham Lincoln, in which he succeeded in selling back to the government carbines which had been condemned by the government, and selling them for twenty-two dollars apiece, though he had paid but three dollars and a half apiece for them.

And next we turn to the *Journal of the Canadian Bankers' Association*, which in April 1936 passed along to its sober subscribers this account of a wicked deed:

. . . The government was sorely in need of carbines, and on hearing from one Simon Stevens that he had 5,000 pieces for sale, arranged for their immediate purchase. Stevens, who had no carbines whatever, began to look around for some, cheap, and through a friend named Eastman, bought 5,000 *condemned* carbines, borrowing the money to pay for the spot purchase from J. Pierpont Morgan and Co. Eastman, in turn, got the carbines from the government, paying \$3.50 each for them, Stevens taking them with a wink and selling them back to the government at \$22. This was no doubt considered quite a snappy piece of business, in view of the fact that, first, the government was buying its own property and, second, the guns were no good. The subsequent investigation, of course, brought out young Morgan's share in the transaction, but he claimed "good faith" as a defence. Stevens and Eastman were proved to be a couple of rogues and had no defence whatever. [April, 1936]

Perhaps the most curious journalistic variation of the carbine yarn appeared in *PM*, January 5, 1941. In a column purporting to recall happenings of long ago, under the heading:

*Fifty Years Ago*

(1891)

this newspaper asserts:

J. PIERPONT MORGAN is cursed by Civil War veterans for buying, in 1861, bad rifles from an army post at \$3.50 apiece and reselling them to another army post at \$22 apiece. The rifles, if fired, would blow soldiers' thumbs off.

The alleged indignation of the veterans in 1891 is a fabrication compounded with an anachronism, because Myers did not invent the yarn until almost two more decades had passed.

*The Demagogues.* Huey Long over the radio on February 10, 1935, explained to his listeners the methods used for making great fortunes:<sup>128</sup>

. . . Well, ladies and gentlemen, there never were fortunes made in any country through as many tactics of brigandages and through as

many crimes and demeanors [sic] of men in his position as the American fortunes. I am not going to undertake to defame those men, but I can take you any fortune you wish to write me about and show you it has not been amassed by any tactics other than by force and crimes. I can take you the Morgan fortune, the Rockefeller fortune, or the Mellon fortune, or any fortune you wish to inquire about. . . .

The Morgan fortune was started by J. P. Morgan, Jr., [sic] who was the father of the J. P. Morgan of today, selling some refused carbines to Frémont's army.

Senator Rush Holt of West Virginia, on December 30, 1940, on the floor of the Senate, in the course of a lusty attack on the Morgan family asked his hearers:

Just look at the record of the Morgans from the beginning, going back to the Civil War, when J. Pierpont Morgan's parent [sic] sold old obsolete muskets to the United States Army in order to make a profit out of them. . . . [*Congressional Record*, p. 21,717]

*Literati.* From the excerpts given thus far, the reader might gather that the Hall carbine legend has appealed only to radicals, demagogues, and hurried journalists. But wait and see. We shall now pass in review the Serious Thinkers.

Bertrand Russell knows his Myers, for the following extract from *Freedom versus Organization*<sup>184</sup> comes straight from the *History of the Great American Fortunes*:

The great fortunes of subsequent times owed their origin to the conditions which existed during the Civil War, which afforded exceptional opportunities for corruption. Pierpont Morgan, for example, then a young man of twenty-four, bought, in combination with two other men, five thousand carbines, condemned as old and dangerous, from the Government in the East for three and a half dollars each, and sold them to the troops on the Mississippi for twenty-two dollars each. The matter was investigated by a Congressional Committee and (for the Secretary of War) by a commission of two, one of whom was Robert Owen's son, Robert Dale Owen. Although the facts were established, Morgan and his friends got their money.

H. G. Wells prefers Winkler. Observe how in *The Work, Wealth and Happiness of Mankind*<sup>185</sup> he stresses the elder Morgan's efforts to "live down" the story. It will be recalled that this was Winkler's distinctive contribution to the saga:

After the panic came the Civil War, and the young speculator seems to have burnt his fingers and involved himself in a manner difficult to explain over the purchase and resale to the government of 5,000 condemned carbines. He never did explain. He was too much of an aristocrat. Apparently he was misled and blundered and learnt a lesson and went on stoically to live the story down.

Harry Elmer Barnes, ever ready to heap obloquy on capitalist devils, does not hesitate when confronted with the Hall carbine transaction:<sup>166</sup>

Even in the armament industry the bankers have set the pace for chicanery. Few armament manufacturers have duplicated J. P. Morgan, Sr.'s sale of defective arms to John C. Frémont during the Civil War.

The version of our carbine affair presented in 1938 by David Loth in *Public Plunder: A History of Graft in America*, achieves an unenviable record. This writer, diligent in his research among the apocryphal writers, succeeded in combining all the errors of all his predecessors. According to him, Stevens, when he entered the scene, "had come East as the General's agent to buy supplies." General Frémont was "undeterred by the fact that he had no authority for such purchases and perhaps ignorant of the limitations on his power as a commanding officer." Stevens took "young Morgan into partnership", and Morgan before making his loan was convinced by Frémont's telegram that profit was certain. Frémont was left wondering why the carbines did not arrive while they were being rifled in the East. Stevens and Eastman "did not know . . . that this particular Hall model had a firing mechanism so devised that it was about an even chance whether the soldier who used it sent a ball in the general direction of the enemy or blew off his own thumb. The weapon had been condemned originally for this peculiarity after repeated accidents. While Stevens and Morgan were reckoning their profits, Frémont's men were learning at the cost of several thumbs that Major Stevens had not told the exact truth about the standards attained by his purchase." Morgan, "very insistent upon his rights, . . . was heard at the War Department." Stevens finally won his appeal, "despite an inter-

vening confession to bribery in another connection." And, finally, "Morgan's role remained passive to the end. He simply offered stolid refusals to disclose the nature of his contract with Stevens. That, he said, was his own very private business." . . . Each of these statements, as the reader knows, is unsupported or belied by the original records.

Late in 1936 there was published in England a book<sup>167</sup> translated from the French, entitled *The Profits of War*, by one Richard Lewinsohn. The author tells the carbine story, having relied on a German translation of Myers. Thus the tale, in being re-presented to English readers, had boxed the compass of Europe. The Lewinsohn book later appeared in the United States, published by Dutton, and the New York *Post* on July 20, 1937, picked out for verbatim quotation the paragraph about the Hall carbines. And so we find the carbine legend done into German, thence paraphrased into French, from French translated back into English and published in England, re-published in the United States, and copied in the *Post*.

In 1939 Chatto & Windus brought out in England a book dealing with the financial aspects of art, entitled *Art Lies Bleeding*, by Francis Watson. On p. 141 the author draws a moral:

J. P. Morgan spent £10,000,000 on his collections, the greater part of it through a single firm. But what must have been the expenses of becoming the favourite dealer of a man clever enough to have bought 5,000 condemned carbines from the New York armoury for 17,500 dollars and sold them to the Federal Army in the Civil War for 109,912 dollars?

The carbine deal even figures in fiction, so that we have fiction compounding fiction. Upton Sinclair in *World's End*, 1940, p. 418, has this engaging bit:

In a kind and fatherly way the banker reminded the impetuous lad that the nation was at war. "Our boys are going overseas to die in a cause which may not be perfect—but how often do you meet absolute perfection in this world? There has never been a war in which some persons didn't profiteer at the expense of the govern-

ment. The same thing happened in the Civil War, but that didn't keep it from being a war to preserve the Union."

"I know", said Lanny. "My father has told me about that also. He says that was how J. P. Morgan made the start of his fortune—by selling condemned rifles to the Union Government."

John Dos Passos in *1919* (published in 1932), p. 337, finds occasion to say:

When the guns started booming at Fort Sumter, young Morgan turned some money over reselling condemned muskets to the U. S. army. . . .

Carl Sandburg in his monumental *Abraham Lincoln, The War Years*, was seduced by Myers and the other apocryphal writers. He refers to

the fraudulent arms, which inspection proved were so defective they would shoot off the thumbs of soldiers using them. [vol. 1, p. 428]

He goes on to say that

Morgan presented to Congress in connection with this firearms sale exorbitant claims for money due him as a lender, while he refused to answer questions that would disclose the terms on which he had entered the deal. An array of respectable citizens presenting extortionate demands was the target of the committee's declaration: "He cannot be looked on as a good citizen . . ." etc.

*Myers's Supreme Triumph.* Recent years have seen the publication in America of two works of reference that deservedly enjoy high esteem,—the *Columbia Encyclopaedia* and the *Dictionary of American Biography*. In the space that they devote to the life of J. P. Morgan, each of them gives less than a sentence to the Hall carbine case; but Myers can boast that he has left his spoor in these enduring volumes.

The *Columbia Encyclopaedia* says:

His [Morgan's] financial backing of Stevens, who sold obsolete guns to the federal government during the Civil War, . . . received severe criticism.

It received no criticism until Myers wrote his work; and the guns were not obsolete.

*The Dictionary of American Biography* says:

Two incidents of his relatively inconspicuous career during that era of profiteering and speculative orgy do not redound to his credit. To Simon Stevens, who sold to the federal government obsolete Hall's carbines, he gave financial backing, though he withdrew from the case before Stevens finally brought successful suit for payment in full. . . .

Again the guns are disparaged unduly; and the intimation that Morgan "withdrew" a claim is erroneous, for he never presented one.

\* \* \*

In 1939 three books appeared in which, at long last, the Hall carbine affair was presented in true perspective. Allan Nevins in his revised life of Frémont told the story accurately, with emphasis on Frémont's part in it.

Shortly afterwards F. S. Crofts & Co. published a *Case-book in American Business History*, by two Harvard professors, N. S. B. Gras, who holds the Straus chair in Business History, and Henrietta M. Larson. In the chapter on Morgan they wrote:

. . . The other episode is the Hall carbine affair. The story is too long to recount here, but an extensive search has failed to uncover any contemporary proof that justifies the deductions about Morgan's business character which many writers have drawn from the episode.

Before the end of the year Macmillan brought out Herbert L. Satterlee's life of J. Pierpont Morgan, in which the episode was summarized. In reviewing this work for *The New York Times*, Allan Nevins called special attention to the carbine matter:\*

Mr. Satterlee offers a convincing exculpation of Morgan from one of the charges most frequently brought against him: the allegation that in 1861 he assisted one Simon Stevens in operations which defrauded the Federal Government upon a sale of defective Hall carbines to General Frémont's army. The carbines were not really defective, but were a valuable arm. What loss the government suffered was attributed in the main to the carelessness of its own War Department, and Morgan was never a party at interest in the transaction, being merely the person from whom one of those parties borrowed some money. [Dec. 17, 1939]

\* *Supra*, p. 91.



The Nevins review was only one of many references by critics to the new account of the carbine episode in the Satterlee book. The Associated Press carried the story at some length on November 26, 1939. The reviewer in *Time* raised a question about it in the issue of December 18, which prompted letters of comment from Herbert L. Satterlee, Lewis Corey, and Gordon Roberts in the issues of February 5 and 19, 1940.

And now John T. Flynn in his *Men of Wealth*, published by Simon and Schuster in the spring of 1941, provides us with our closing citation,—one that has a piquancy all its own. Flynn in the seven pages that he devotes to the Hall carbine affair pummels Herbert L. Satterlee with brawny vigor. He disputes Satterlee's statements every inch of the way. Gustavus "Meyer" (as Flynn calls Myers) was right, it seems, and Flynn goes on:

I have read all the source material completely and it is quite obvious that Mr. Meyer [sic], Mr. Corey, and Mr. Sandburg have done so. The most charitable explanation of Mr. Satterlee's account is that he did not, but depended probably upon some hired assistant to bring him the facts, which were brought to him to his taste.

Flynn asserts that originally Morgan was to get a split in Stevens's profits, but for this he cites no authority. He says it is "palpably untrue" that Morgan never made a claim after he was paid off out of the first receipts from the sale of the arms. That Morgan was never summoned as a witness in any of the investigations means nothing, for, according to Flynn, the young banker was in Europe while the House Committee and the Ordnance Commission were gathering evidence. (The fact is that the House Committee was taking Eastman's and Stevens's testimony *before* Morgan sailed for Europe in October 1861; and the Ordnance Commission was assembling exhibits and taking testimony *after* he returned to New York, in the following spring.) Flynn swallows whole the fables about the quality of the Hall arms. As to the Court of Claims—yes, the reader guesses right again—Flynn says it "held that the government had made a contract, was bound by it." In brief,

from first to last, with a fine show of self-assurance, he trumpets the triumph of Gustavus "Meyer". Reviewing the Flynn book in *The New York Times*, Ralph Thompson singled out the handling of the carbine episode for special commendation, describing it as "what looks like the best sum-up of the notorious Hall Carbine case there is in print." (June 4, 1941)

The joke, of course, is on Mr. Flynn, for his own statement of the facts shows that, far from being familiar with "all the source material", he ignores the very existence of the primary sources. In rushing, with shillelagh swinging, to the rescue of his Gustavus "Meyer", he made the mistake of assuming that the sources cited in Myers's footnotes were the only ones, or at least the vital ones. Flynn never examines critically even these secondary sources, and he never goes behind Myers and the secondary sources to the wealth of primary material on which an independent judgment must be founded.

\* \* \*

Since the first edition of this book appeared in the fall of 1941, the Hall carbine legend has gone marching on. A reference to it was woven into a novel called *The Copperheads*, by one William Blake, published in 1941 by The Dial Press; see p. 515. *The Capital Times* of Madison, Wis., used it in an editorial article on January 22, 1942. When Mr. J. P. Morgan died in March 1943, it cropped up in obituary comment in the communist *Sunday Worker* and on a German propaganda broadcast intercepted by the Office of War Information, both on the same day, March 13, and in *PM* the next day. *The New Leader* made use of it on March 27. References to it appeared in editorials in the communist *Worker* on July 14, 1946; in the St. Petersburg, Fla., *Independent* on July 23; and in the *New York Post* on August 2; and the context suggests that the earliest of these three inspired the other two. Frederick L. Collins' *Money Town*, a book on Wall Street published in 1946 by G. P. Putnam's Sons, retells the tale on p. 277; and George

Seldes mentions it once more on p. 88 of *One Thousand Americans*, brought out by Boni & Gaer, N. Y., in 1948.

Reviews of the first edition of *The Hall Carbine Affair* appeared in a number of the historical quarterlies: by Thomas C. Cochran in *The Mississippi Valley Historical Review*, June 1945; by Chester McA. Destler in *The Journal of Economic History*, November 1945; and finally by Stanley Pargellis in *The American Historical Review*, January 1946. Henrietta M. Larson in the *Harvard Business Review*, spring issue 1944, referred to the Hall carbine episode in terms that revealed a familiarity with this work.

## *Legend v. History*

Gustavus Myers once wrote a true saying:<sup>188</sup>

Legends drawn from antiquity arose at a time when written knowledge was scarce. Yet the avalanche of books and the wide reading of modern times provide us no guarantee against the growth of new legends. Quite the contrary. The more widely error is published and imbibed, the greater its claim to unquestioned acceptance.

Here is humor indeed; is it unconscious? For Myers in his own experience with his Hall carbine legend illustrates the truth of his warning.

Everyone is familiar with the category of literature known as historical fiction, wherein the novelist recaptures with more or less fidelity a past epoch and interweaves his plot with the historical setting. There is another kind of historical fiction, which could be called folk-history,—the conception of its past that a people weaves out of its own vitals. This process of shaping and re-shaping folk-history never ends. Thus, into the Old Testament the Jews, under the guise of history, poured their racial personality and aspirations. For many decades after our Revolutionary War, that event was presented to American youngsters as the climax to all history, giving to the world a chosen nation, destined to lead all peoples in virtue and progress.

Today, as always, the popular conception of our recent past is merely a reflection of emotional cravings. Where the will to believe exists, the slightest pretext suffices. It would be hard to find more barren soil for a legend about J. Pierpont Morgan than in the Civil War records of the Hall carbine transaction; but the mere presence of his name in the archives sufficed. It was the peg on which to hang a tale expressing the marxist Idea of Morgan, symbol of capitalism. The marxist outlook on life is cynical, and therefore credulous: anything is believable, if bad enough. If Morgan the man does not fill the prescription, Morgan the capitalistic ogre must be created.

Any historian deserving the name has a goal toward which he always strives, though he may never reach it: to

sift all the data, to eliminate the suppositions that are incompatible with the record, and to establish a tenable narrative. History is the study of what happened: legends and folk-history are what people wish to believe happened. History is characterised by largeness of spirit, by absence of violent moralizing. Folk-history is saturated with moralizing; everything is Right or Wrong, Good or Bad. Facts are forced to the heart's desire. In the marxist conception of history the capitalist is a villain, and so the young Morgan must be painted with villainous lineaments.

Books on capitalism, on "finance capitalism", on the morals of big business, drop continuously from the presses. There is an enormous output of allegedly factual studies of the conduct of big business men. The writers, for the most part, have had no experience in business, and have not known personally either the kind of men or the world they describe. They adjust the tale to a formula, forcing history to the procrustean bed of all-embracing preconceptions. For those familiar with the matter, these books are grotesque, being fiction masquerading as history, like the Hall carbine case. They tell more about their authors and readers than about their subjects.

Not many decades ago, a group of scholars formulated standards of research for American history that revolutionized our conceptions of our country's origin. Perhaps the time is coming when pseudo-research and easy repetition will no longer be accepted as adequate for the history of industry and business.



## NOTES

### Key to abbreviations:

- House Invest.:* Report and Testimony of Select House Committee appointed to inquire into Government Contracts. Published as House Report No. 2, 37th Cong., 2nd Session. (Two volumes)
- Ord. Rep.:* Report, exhibits, and testimony of Commission on Ordnance Claims and Contracts. Published as Sen. Ex. Doc. No. 72, 37th Cong., 2nd Session.
- Stevens v. U. S.:* Record in the case of Simon Stevens *v.* United States, before the Court of Claims, December term, 1866, No. 2524. The record consists of claimant's petition, testimony, claimant's brief, brief for the United States, and the decision. The decision is published in Cases Decided in the Court of Claims, December term, 1866, vol. 2, reported by Nott & Huntington, pp. 95-103.
- Joint Com.:* Report of the Joint Committee on the Conduct of the War, Part III, published as vol. 4 of Sen. Report 108, 37th Cong., 3rd Session.
- Arms Purchase Rep.:* Report on Purchase of Arms. Published as House Ex. Doc. No. 67, 37th Cong., 2nd Session.

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1. (p. 3) Fort Sumter had surrendered after 34 hours of bombardment without casualties. During a salute to the flag after the surrender two Union men were mortally wounded by the bursting of a Union gun. *Harper's Weekly*, April 20, 1861, p. 247; *Harper's New Monthly Magazine*, June 1861, p. 120.
2. (p. 4) *House Invest.*, vol. 1, pp. 189-201; 659-664; vol. 2, pp. 1563-4.

3. (p. 6) For details of Ripley's life, see eulogistic account in *Biographical Register of the Officers and Graduates of the U. S. Military Academy, 1802-1890*, by Bvt. Major General George W. Cullum, vol. 1, No. 102, p. 119. Ripley apparently became Chief of Ordnance on April 3, 1861, but took charge of the Ordnance Bureau in Washington on April 23. See also *Congressional Globe*, April 29, 1862, p. 1870; *Official Records of the War of the Rebellion*, Series III, vol. 1, p. 102.
4. (p. 6) *House Invest.*, vol. 1, p. 235.
5. (p. 6) *Ibid.*, pp. 235, 239.
6. (p. 6) *Ord. Rep.*, p. 475.
7. (p. 7) *House Invest.*, vol. 1, p. 42.
8. (p. 7) *Ibid.*, pp. 235-240; *Ord. Rep.*, pp. 482-4.
9. (p. 7) For text of correspondence, see *Ord. Rep.*, pp. 461, 474-5; also printed in *Stevens v. U. S., Testimony*, pp. 33-36.
10. (p. 9) *Congressional Globe*, March 4, 1862, p. 1062.
11. (p. 9) *Official Records of the War of the Rebellion*, Series III, vol. 1, p. 231.
12. (p. 9) *Ord. Rep.*, p. 491.
13. (p. 10) *Congressional Globe*, April 29, 1862, p. 1870; Appendix, 37th Cong., 2nd Session, pp. 134-5. Cameron, after leaving the War Department, said the appointment of Ripley had been a mistake, because he proved "unequal to the crisis." See *New York Herald*, May 8, 1862, p. 2.
14. (p. 10) *Arms Purchase Rep.*, p. 29.
15. (p. 10) *Annual Report of Secretary of War*, Dec. 1, 1861, Sen. Ex. Doc. No. 1, 37th Cong., 2nd Session, p. 5.
16. (p. 10) *House Invest.*, vol. 1, p. 200.
17. (p. 10) *Arms Purchase Rep.*, pp. 29-31.
18. (p. 10) There is some evidence that the Hall carbines were not the only arms sold by Ripley in June 1861. He appears to have disposed of 10,000 muskets to Colonel Colt of New York, taking pistols in exchange. Hagner seems to have succeeded in rescinding this contract, with the consent of Colt, *Congressional Globe*, Appendix, 37th Cong., 2nd Session, p. 135; *House Invest.*, vol. 1, p. 239.
19. (p. 11) *House Invest.*, vol. 1, pp. 239, 240.



20. (p. 11) *Ibid.*, pp. 236, 237.
21. (p. 11) *Stevens v. U. S., Testimony*, pp. 11, 12; *House Invest.*, vol. 1, pp. 244, 245.
22. (p. 11) *House Invest.*, vol. 1, pp. 236, 244, 245; *Stevens v. U. S., Testimony*, p. 14.
23. (p. 12) *Stevens v. U. S., Testimony*, pp. 11, 12.
24. (p. 12) *Stevens v. U. S., Testimony*, p. 12; for text of contract, p. 15; also, *Ord. Rep.*, pp. 469-70.
25. (p. 13) Stevens testified under oath that Eastman "knew nothing of my correspondence with General Frémont." *Stevens v. U. S., Testimony*, p. 10. Eastman testified to the same effect. *Ord. Rep.*, p. 482. The testimony only confirms the necessities of the situation. Stevens in dealing with a stranger was not going to disclose the identity of a prospective buyer, as Eastman might have approached Frémont direct.
26. (p. 13) For text of the telegrams, see *Stevens v. U. S., Claimant's Brief*, pp. 1-4; also, *Testimony*, pp. 69-71.
27. (p. 13) *Joint Com.*, pp. 48-9:

Question by Mr. Gooch: Did you know the character of that weapon at the time you purchased it, or the history of it?

Answer by Gen. Frémont: I supposed it to be the usual Hall carbine which I had used in a journey overland on one occasion.

Question: You were familiar with it?

Answer: Yes, sir.

The arm that Gen. Frémont had used had been made to order for him, according to his testimony on a later occasion. *Stevens v. U. S., Testimony*, p. 62:

General Frémont: I had previously used one of Hall's rifled carbines, but this was one made with unusual care, and was certainly superior to the common weapon. It was made for me and presented to me.

27. (p. 13) Though made to order, the arm that Frémont had carried probably antedated the adoption of North's improvement, and therefore was of an earlier model, inferior in this respect to the batch that Stevens was interested in. General Frémont in his testimony before the Joint Committee, *supra*, showed unfamiliarity with North's improvement.
28. (p. 15) For facts in this and succeeding paragraph, see Allan Nevins, *Frémont*, especially vol. 2 of first edition, p. 534; New York *Tribune*, June 29, 1861; Nicolay and Hay, *Abraham Lincoln*, vol. 4; Major Hagner's testimony, *House Invest.*, vol. 1, pp. 189-91; General Frémont's testimony, *Joint Com.*, pp. 3-5, 32 *et seq.* (Frémont spoke of 23,000 stands of arms, but Major Hagner in his testimony referred not once but thrice to 27,000 stands. Clearly reliance is to be placed on the ordnance officer's precise mind rather than on the recollection of Frémont, whose virtues did not include factual accuracy. The discrepancy is immaterial, and is mentioned now only because a reviewer of the first edition of this book, in "spot-checking" the reliability of its footnotes, found them accurate except as to the stands of arms here referred to. He had chanced on Frémont's testimony and had missed Hagner's. In correspondence with the author the reviewer graciously accepted the correction.)
29. (p. 15) *Congressional Globe*, March 4, 1862, p. 1069.
30. (p. 15) Eastman's testimony does not eliminate the possibility that he was apprised of the destination of the arms on Aug. 7, but the likelier interpretation is that he learned of Frémont's purchase only when it became common gossip in the market. *House Invest.*, vol. 1, p. 238; also, 243, 248. *Stevens v. U. S., Testimony*, p. 10.
31. (p. 16) *Ord. Rep.*, pp. 476, 483; *House Invest.*, vol. 1, pp. 245, 656-8; *Stevens v. U. S., Testimony*, p. 9.
32. (p. 17) *Ord. Rep.*, p. 479.
33. (p. 18) *House Invest.*, vol. 1, pp. 239-240, 244.
34. (p. 18) *Ord. Rep.*, p. 482; *House Invest.*, vol. 1, p. 245.
35. (p. 18) *Ord. Rep.*, p. 479.
36. (p. 19) *House Invest.*, vol. 1, pp. 191-2.
37. (p. 19) *Congressional Globe*, 37th Cong., 2nd Session, Appendix, p. 136.

38. (p. 19) *House Invest.*, vol. 1, p. 940.
39. (p. 19) *Ibid.*, pp. 245-8; for termination of Stevens's service as aide-de-camp various dates appear in the record. Stevens, *House Invest.*, vol. 1, p. 248, says September 21; elsewhere he and Frémont say September 26 (*Ord. Rep.*, p. 462; Stevens's memorial to House of Representatives, dated February 10, 1862, published in *The Daily Tribune*, May 2, 1862). We use September 20 because on that day Frémont's staff officers were listed in General Order No. 15 and Stevens's name does not appear. *House Invest.*, vol. 1, p. 1045.
40. (p. 20) *Ord. Rep.*, pp. 465, 470-3; *Stevens v. U. S., Testimony*, p. 16. The destruction of the Marston plant was one of the dramatic episodes of the draft riots of 1863.
41. (p. 20) *Ord. Rep.*, p. 479.
42. (p. 20) *House Invest.*, vol. 1, pp. 235-6, 656; vol. 2, p. 512; *Ord. Rep.*, p. 479; *Stevens v. U. S., Testimony*, pp. 5-6.
43. (p. 21) *House Invest.*, vol. 1, pp. 237, 655-6.
44. (p. 21) *Ibid.*, pp. 655-656; vol. 2, p. 513; *Ord. Rep.*, p. 473.
45. (p. 21) *Stevens v. U. S., Testimony*, pp. 9, 25; *House Invest.*, vol. 1, p. 237; vol. 2, p. 515.
46. (p. 22) *Stevens v. U. S., Testimony*, pp. 6-7; *House Invest.*, vol. 1, p. 245.
47. (p. 22) *Ord. Rep.*, p. 472.
48. (p. 22) Interest on \$20,000 at 7% for 38 days (Aug. 7 to Sept. 14) is \$147.78; the advances were somewhat higher than \$20,000, to pay for alterations, insurance, etc.
49. (p. 22) *House Invest.*, vol. 2, p. 514.
50. (p. 22) *American Annual Cyclopaedia*, 1861, pp. 298-9.
51. (p. 23) It will be recalled that Eastman had contracted to buy all the Hall carbines in the Government arsenals, and that he had expected to receive more than 6,000. Apart from the 5,000 sold to Frémont, all he received were 400 inferior guns at the Frankford Arsenal. There seems to have been a sale of some of these to Stevens, and they may have been included with the others in the arrangement with Morgan. The amount of the commission—\$5,400—suggests that they were. It is clear that they, as well as the 5,000 bought by Frémont, were security for Ketchum's advances. The additional 400 guns were undergoing repairs in Marston's shop in early October, long after the Frémont arms had reached St. Louis. The ultimate fate of these 400 guns is unknown. *Ord. Rep.*, pp. 474, 483; *House Invest.*, vol. 1, pp. 236, 660, 671.

52. (p. 23) *House Invest.*, vol. 1, p. 659.
53. (p. 23) *Ibid.*, p. 245.
54. (p. 24) *Ibid.*, p. 657; vol. 2, pp. 515 *et seq.*; *Stevens v. U. S., Testimony*, pp. 13, 25.
55. (p. 26) *House Invest.*, testimony of Captain Callender, vol. 1, pp. 624, 868, 936-40; testimony of Captain Turnley, pp. 919-20.
56. (p. 26) *Arms Purchase Rep.*, pp. 26-7.
57. (p. 27) *House Invest.*, vol. 1, p. 662.
58. (p. 27) *Congressional Globe*, March 4, 1862, p. 1070.
59. (p. 28) *George Opdyke v. Thurlow Weed*, transcript of testimony published by American News Co., 1865, p. 61.
60. (p. 28) John Raymond Howard: *Remembrance of Things Past*, 1925, pp. 36-7, 40, 52, 70, 133, 138, 142-3, 152, 158.
61. (p. 29) *Stevens v. U. S., Claimant's Petition*, p. 5; *Testimony*, p. 25; *House Invest.*, vol. 2, p. 515.
62. (p. 29) Frémont in his telegram of Aug. 6 asked that the arms be sent by express, and said he would pay "all extra charges." See p. 13.
63. (p. 30) For testimony and exhibits relating to the appendages and packing boxes, see *House Invest.*, vol. 1, p. 939; *Ord. Rep.*, pp. 478, 480, 483; *Stevens v. U. S., Testimony*, pp. 19-20.
64. (p. 32) This includes \$1,000 for packing boxes, of which \$500 appeared in Voucher No. 1, and the balance in Voucher No. 2.
65. (p. 34) *House Invest.*, vol. 1, p. 939. The correct and incorrect forms of Vouchers No. 1 and No. 2 are scattered throughout the official records. For Voucher No. 1 validly executed, see *Arms Purchase Rep.*, p. 27; *Stevens v. U. S., Testimony*, p. 5. For Voucher No. 1 in defective form, see *House Invest.*, vol. 1, pp. 49, 937. For Voucher No. 2 validly executed, see *Ord. Rep.*, p. 460; *Stevens v. U. S., Testimony*, p. 6. For Voucher No. 2 in draft form, see *House Invest.*, vol. 1, pp. 49, 938; *Ord. Rep.*, p. 484.
66. (p. 34) *House Invest.*, vol. 1, p. 939.
67. (p. 34) *Stevens v. U. S., Testimony*, pp. 7, 22-23.
68. (p. 34) *Ibid.*, p. 23.

69. (p. 34) *House Invest.*, vol. 2, p. 516; *Stevens v. U. S., Testimony*, pp. 22-23.
70. (p. 34) *Stevens v. U. S., Testimony*, p. 7.
71. (p. 35) *Ord. Rep.*, p. 494.
72. (p. 35) *Arms Purchase Rep.*, pp. 22-3.
73. (p. 35) *New York Daily Tribune*, Sept. 26, 1861; *Daily Missouri Democrat*, same date.
74. (p. 36) For testimony of these men, see *House Invest.*, vol. 1.
75. (p. 36) *Stevens v. U. S., Claimant's Petition*, p. 8.
76. (p. 36) *Official Records of the War of the Rebellion*, Series I, vol. 3, p. 532.
77. (p. 36) It would be an imposition to ask the reader to pick his way through the intricacies of the Voucher maze. But for the connoisseur in the Hall carbine affair, the disentangling of deliberate tergiversation from honest misunderstanding is an absorbing pastime. As will be seen in the next section of the narrative, it is unnecessary to question the good faith of the Congressional committee. They knew Voucher No. 1 only in its unauthorized form, which they had no reason to suspect; and they drew the permissible conclusion that it placed Stevens in the role of agent. Conversely, it is impossible *not* to question the good faith of the War Department's investigators; they had in their possession both forms of Voucher No. 2, but in their report they chose to deny the existence of the genuine one, thus leaving Stevens no instrument on which to base his claim.

The report of the War Department commission was published on July 1, 1862. On July 11, *The New-York Times* summarized its conclusions editorially, characterizing the Hall carbine episode as "the most extraordinary operation, by all odds, that marked the period of contract-snatching". In the issue of July 12 Simon Stevens replied in a lengthy letter, in the course of which he accused the Congressional committee of having forged Voucher No. 1, so that the words "by me" were made to read "by my order". This accusation overlooks the existence of the unauthorized form of Voucher No. 1, and as Stevens had nothing to gain by falsely accusing the Congressional committee of bad faith, it seems that he was himself ignorant of the existence of the tentative voucher receipted by Howard on Morgan's behalf.

77. (p. 36) In his letter Stevens went on to accuse the War Department commission of "falsification" in denying the existence of an authentic Voucher No. 2. "This certificate, attached to the bill", he wrote, "was delivered to the Department last October, and is now, I am assured, on the files of the Department. By what means or with what motive this certificate has been concealed, I leave to others to conjecture."

The *Sunday Dispatch* on July 13 carried an editorial ex-coriating Stevens. *The Daily Tribune* on July 14 reprinted Stevens's letter from *The New-York Times*, and in an editorial note drew attention to the gravity of his charge that the Congressional committee had been guilty of forgery. On July 19 *The Tribune* published a reply from the secretary of the committee, Theodore F. Andrews, in which he stated that he had in his possession the voucher whose existence Stevens denied. Andrews, of course, was right. If he knew of the irregularity of that voucher, and of the existence of an authentic form, he did not let on. On the same day *The Tribune* pointed out editorially that an alternative form of the voucher had been published by the Government. (*The Tribune* writer said, erroneously, that the Ordnance Commission had published it; it had appeared, in fact, in an entirely different document, a report on arms purchases submitted to the House of Representatives by the Secretary of War on March 3, 1862, and printed as House Ex. Doc. 67, 37th Congress, 2nd Session, p. 27.) *The Tribune* editorial concluded with this sentence: "We do not like to have our confidence thus shaken in the authenticity of Public Documents."

On July 24 *The Tribune* published a letter from Robert Dale Owen, of the War Department commission. He pointed out that two forms of Voucher No. 1 existed, and that his commission had accepted the authenticity of the one which showed Frémont had bought the arms from Stevens. But this letter of Owen's failed to deal with Stevens's allegation that the War Department commission had suppressed Voucher No. 2.

78. (p. 37) *House Invest.*, vol. 1, pp. 40-52, 136.

79. (p. 38) *Ibid.*, pp. 40-41. The Committee made a good story better by alleging that 790 of Eastman's carbines had been purchased by the Government in April, 1861, at \$15 each:

"... the case as to *these* would stand thus: They are condemned and sold by the government at a merely nominal price; afterwards, in April last, an agent of the War Department purchases them for the government at \$15 each; in June they are sold to Eastman by the War Department for \$3.50 each, and in August they are purchased by General Frémont for the government at \$22 each."

The Committee were in error. It is true that the 790 arms in question had been bought by the Government, but not by the Ordnance Department, and they did not figure in the batch delivered to Eastman. At the time of the Baltimore riots, the War Department had appointed one Alexander Cummings to serve as a special purchasing agent, and among other things he had bought 790 Hall carbines for \$15 each in the New York market. Ripley testified that the Ordnance Bureau had no knowledge of these guns. *Ibid.*, vol. 2, p. 168. Cummings testified that the supplies bought by him were dispatched directly to the scene of fighting. *Ibid.*, vol. 1, p. 408.

Senator Trumbull in Congress on Jan. 14, 1862, repeated the Committee's comments about the 790 carbines, being unfamiliar apparently with Ripley's intervening testimony. Carl Sandburg in his *Abraham Lincoln: the War Years*, vol. 1, p. 427, quotes Trumbull, apparently not knowing that Trumbull was quoting from an official report and that the report had been corrected by Ripley's later testimony.

80. (p. 39) *House Invest.*, vol. 1, p. 43.  
 81. (p. 39) *Ibid.*, p. 41.  
 82. (p. 39) *Ibid.*, p. 42.  
 83. (p. 39) *Ibid.*, pp. 42-52.  
 84. (p. 40) *Ibid.*, pp. 44, 656. Representative Holman of the Committee in presenting the Stevens transaction to the House on April 29, 1862, during the debate on the Committee's resolution, persisted in the error. *Congressional Globe*, 37th Cong., 2nd Session, Appendix, p. 136.

85. (p. 40) *House Invest.*, vol. 1, pp. 51-2.
86. (p. 40) *Ibid.*, p. 136.
87. (p. 41) *Ibid.*, p. 52.
88. (p. 42) *Ord. Rep.*, p. 462.
89. (p. 42) *New York Daily Tribune*, July 24, 1862: letter from Robert Dale Owen. The House Committee itself laid so little store by their own argument that in the debate on their resolution Rep. Dawes of the Committee said he did not "care a copper" if the wording was amended so as to read that Frémont had bought the arms from Stevens. *Congressional Globe*, April 29, 1862, p. 1869.
90. (p. 42) *House Invest.*, vol. 2, pp. 512-19.
91. (p. 42) *Ibid.*, pp. lxiv-lxxvi.
92. (p. 43) For references to newspaper articles dealing with the Hall carbine transaction, see Bibliography, pp. 149-151.
93. (p. 43) For text, see *New York Daily Tribune*, May 2, 1862.
94. (p. 43) First published in *The World*, Feb. 19, 1862; *Joint Com.*, p. 40.
95. (p. 43) *Congressional Globe*, April 28, 1862, p. 1851.
96. (p. 43) *Ibid.*, p. 1887.
97. (p. 44) *Ibid.*, Appendix, 37th Cong., 2nd Session, p. 136. For references in House debates to the Hall carbine episode, see Bibliography, p. 149.
98. (p. 45) *Ord. Rep.*, pp. 2-3.
99. (p. 45) *Ibid.*, p. 13.
100. (p. 46) Report of the Commission on the Hall carbine case consists of exhibits and testimony (pp. 460-485), and findings (pp. 485-495).
101. (p. 46) The claim as presented to the Ordnance Commission is expressly referred to as having been "presented by Messrs. Ketchum, Son & Company" in *Stevens v. U. S., Claimant's Petition*, p. 8.
102. (p. 46) *Ord. Rep.*, p. 464.
103. (p. 47) *Ibid.*, pp. 462-3, 473.



104. (p. 47) *Ibid.*, p. 464.
105. (p. 47) *Ibid.*, pp. 464-8.
106. (p. 47) *Ibid.*, pp. 468-473.
107. (p. 47) *Ibid.*, pp. 479-80, 482-84.
108. (p. 47) *N. Y. Evening Post*, May 7; *Daily National Intelligencer*, June 5, 1862.
109. (p. 50) For paragraph quoted in text, see *Ord. Rep.*, p. 494; for Voucher No. 2 in complete form, p. 460; for the "form" of Voucher No. 2 of which the commission spoke, *ibid.*, p. 484. See also note 77. Voucher No. 2 in both forms is reproduced facing p. 34.
110. (p. 50) *Stevens v. U. S., Claimant's Petition*, pp. 9-10.
111. (p. 51) The facts in this paragraph come from the record of the case on file with the *Court of Claims, Stevens v. the United States*, No. 2524.
112. (p. 52) The case was heard before four judges; Peck, J., delivered the opinion, in which Casey and Knott concurred; Loring dissented without an opinion.
113. (p. 52) For the decision of the *Court of Claims*, see *Nott & Huntington, Cases Decided in the Court of Claims of the United States, December Term, 1866*, vol. 2, pp. 95-103.
114. (p. 53) This quotation and the one that follows it are taken from a letter printed below, from Assistant Attorney General Ashton to the Secretary of War, written on August 11, 1868. Authority for the statements about the disposition of the case is to be found in documents that the War Department, the Treasury, and the Department of Justice have generously made available from their files. The payment to Stevens was mentioned in the annual report of the Secretary of the Treasury for 1868-9, pp. 324-5.

The following two letters, not hitherto available to the public, have particular interest for the light they shed on the attitude of the War Department and the Department of Justice in 1868 to the Stevens claim. It will be noted that in the second letter, the Assistant Attorney General twice refers to the Court of Claims decision as having been unanimous; in the light of Judge Loring's dissent, these references are not clear.

## I.

114. (p. 53)  
(cont.)

War Department  
Washington City

July 29th, 1868

Sir:

On the 29th ult., I had the honor to address a communication to the Honorable O. H. Browning, Acting Attorney General, in reference to a suit now on appeal in the Supreme Court from the Court of Claims, in which the United States is appellant and Mr. Simon Stevens, appellee. The appeal was taken at the request of the late Secretary of War, Mr. Stanton. It was arranged that the case should be called up at the last term by stipulation of counsel, but the arrangement was not carried into effect.

Mr. Stevens requests of the Secretary of War, that the matter be referred to Mr. Solicitor Norton and Mr. Trumbull, special counsel, to consider whether, under the circumstances, in justice to the appellee, the appeal should not be withdrawn without delay. In my letter of the 29th ult. to Mr. Browning, I requested him to take the subject into consideration, and, after conferring with Mr. Norton and Judge Trumbull, to advise me whether, upon the whole case, the appeal taken by the Government is well founded and can be prosecuted with any reasonable prospect of success.

Mr. Browning's reply of the 2nd of July, informed me that the solicitors who had theretofore conducted the litigation of the government in the Court of Claims, under an act taking effect on the 1st instant, were disabled from official duty by abolition of their offices, and that it was inconvenient for him to make himself officially acquainted with the case. He deemed it expedient to suspend action in the premises until there was time enough to appoint indispensable public officers.

The object of this communication, then, is to bring the matter again to the attention of the Attorney General's office, and further to suggest that, should it be inconvenient to you to give personal attention to the case, I should be happy to accept the opinion, upon the point brought forward, of such of your assistants as you may designate for that purpose.

Very respectfully,

Your obedient servant,  
(signed) J. M. Schofield  
Secretary of War.

To  
Hon. William M. Evarts,  
Attorney General

## 2.

114. (p. 53)  
(cont.)

Attorney General's Office  
August 11th 1868

Hon. Jno. M. Schofield  
Secretary of War

Sir:

The Attorney General, under the intimation contained in your letter of the 29th ult. has referred to me for my consideration and opinion the subject of the Appeal of the United States from the judgment of the Court of Claims in the case of Simon Stevens.

I am clearly of opinion, after a very careful examination of the record, that the whole duty of the Executive Department of the Government was performed when the case was referred to the judicial determination of the Court of Claims, and, in view of the thorough examination which was made by that Court into the validity and good faith of the transaction, and the actual value of the arms furnished by Mr. Stevens, and of the unanimous opinion of the Judges in favor of the claim, that a further prosecution of the litigation by the Government operated, and still continues to operate, as a hardship upon the claimant to which a just Government ought not to subject any one of its citizens.

I concede that the case was a proper one originally for judicial scrutiny, though it is difficult to believe that the facts before the War Department, at the time the matter was under consideration, did not warrant and would not have fully justified the payment of the claim; but, after the Government had received the benefit of an exhaustive contestation of the case, after all the circumstances out of which the contract arose, and all the facts attending it, had been fully disclosed by the witnesses familiar with them, upon examination and cross-examination, after an extended consideration of the case by counsel in argument not only as presented by the testimony in the particular cause but as affected by other and similar cases growing out of the administration of the Department of the West by General Frémont, and, finally, after a pure and learned tribunal of the Government's own selection had pronounced in favor of the validity and meritorious character of the claim, and unanimously

114. (p. 53) concurred in recommending its payment, I apprehend that no duty remained to the Government but to pay the claim, and thus perform, what was, at best, at that time, but tardy justice.
- (cont.)

No embarrassment in reference to the dismissal of the appeal arises, or need arise, from any of the circumstances under which it was taken. I am informed that it was not directed by your predecessor as the result of any previous examination of the grounds of the decree of the Court of Claims, that it was taken against the well-instructed judgment of all the Solicitors of the United States, and that no consideration of the expediency or propriety of the appeal was previously had by the Attorney General.

The question may, therefore, be considered by your Department as if it were now, for the first time presented; and, so considering it, I am free to say, that, as a measure of further precaution, the appeal is both unnecessary and inexpedient.

Upon the general proposition whether the Supreme Court will accept the precise view of the authority of General Frémont adopted by the Court of Claims, I express no opinion, for that is a matter which cannot be foreknown; nor do I think it proper, perhaps, to give an opinion upon the question how far General Frémont had power to bind the United States by contract, for such an opinion may affect other cases yet undetermined.

Nor are such expressions of opinion at all necessary in the present situation of the case; as, in my judgment, the propriety of your consenting to a dismissal of the appeal, depends upon the other considerations to which I have briefly invited your attention.

I have the honor to be  
Very respectfully  
Your obedient servant

(signed) J. Hubley Ashton  
Assistant Attorney General

115. (p. 54) *Mason v. U. S.*, 6 Ct. Cl. 57 (1870).
116. (p. 55) See affidavit of Edward Savage, the manufacturer, *Ord. Rep.*, p. 467; also, for collateral information about this particular batch of steel-barreled carbines, see Fuller, Claud E., *The Breech-loader in the Service*, pp. 43 ff.

117. (p. 55) A carbine is a short gun adapted for cavalry and other short-range use. A musket was the customary arm for infantry; it commonly took the name of rifle after the universal adoption of rifled barrels. A musketoon was an arm intermediate in length between a carbine and a musket.

See affidavit of W. W. Marston, who altered 4,000 of the arms, *Ord. Rep.*, pp. 465-6, also, of Austin Baldwin, former Government inspector, *ibid.*, pp. 467-8; also, *Stevens v. U. S., Testimony*, pp. 11, 17-18.

118. (p. 55) For Stevens's testimony on this, see *Stevens v. U. S., Testimony*, p. 12; for Eastman's, *House Invest.*, vol. 1, p. 236; for Frémont's, *Joint Com.*, p. 40. Marston was explicit as to the 4,000 arms that he had altered: *Ord. Rep.*, pp. 465-6; also, *Stevens v. U. S., Testimony*, pp. 16-19; also *House Invest.*, vol. 1, p. 671.

In the entire record and contemporary discussion of the case, there is only one hint that anyone with authority to speak questioned the condition of any of the lot of 5,000 carbines. The Ordnance Commission, who never saw the arms, said in their report that "more than 4,000 had not been in service", and this might suggest doubt about the balance. The Commission may have had in mind the allegation (erroneous, as it turned out) as to 790 of the carbines made by the House Invest. Com. (see note 79, *supra*), combined with the fact that the Massachusetts machinist who altered 1,000 of the arms did not testify as to them. But there is no reason to believe that the arms sent to Massachusetts for alteration differed from the rest. Possibly the Commission also had in mind another detail; Whiteley delivered to Eastman only 4,996 guns, whereas 5,000 were delivered to Frémont; the odd four may have been used rifles. Owing to the inadequacy of the Ordnance Commission's digest of the evidence in the Hall carbine case, it is rash to give much weight to it when not supported by other evidence.

119. (p. 55) An account of Frémont's embarrassments, including protests of troops against arms supplied to them, appeared in the *Missouri Daily Democrat*, October 4, 1861. See also General Ulysses S. Grant's testimony, *House Invest.*, vol. 2, p. 1; Capt. Granger's testimony, *ibid.*, vol. 1, pp. 629-630; also, testimony of other officers, *ibid.*, vol. 2, pp. 6-10.

120. (p. 55) *Stevens v. U. S., Testimony*, p. 62; *Joint Com.*, pp. 48-9.

Frémont left the Western Department only a month after the troops received the carbines, and therefore his testimony might not be conclusive.

Major Hagner solicited a report on the record of the carbines from Lt. H. R. Buffington of the St. Louis arsenal, and the latter submitted a general statement, dated May 15, 1862, covering the record of all Hall arms used in the Western Department since June 1861. He said in part: "In the early period of the war officers complained of these arms, but for many months they are only too willing to use them, as no others have been and apparently cannot be supplied, but the impression is, among those who know and those who do not know, that this arm is very inferior to Sharpe's carbine." *Ord. Rep.*, p. 476. He made no mention of extraordinary complaints about the arms, which presumably he would have done if there had been any.

Captain Gordon Granger, in command of the St. Louis Arsenal, while unfamiliar with the gun, had previously testified, on Oct. 19, 1861, that soldiers with their lives at stake and out to win a battle would naturally choose a Sharps' or Maynard's carbine in preference to a Hall's, but that the workmanship of the Hall's carbine seemed good and the arrangement for loading convenient. *House Invest.*, vol. 1, pp. 630-1.

Information as to the performance of the batch of guns bought from Stevens is fragmentary. According to Col. I. C. ("Ike") Woods, of Frémont's staff, they reached St. Louis when "we had no other arms for our cavalry. The 2d Illinois cavalry regiment were supplied entirely with Hall's carbines; four companies of Kansas cavalry were supplied with them, as were other regiments; and 500 of them were sent to General Pope, in North Missouri, to be issued to home guards there. They were issued very quickly after their receipt, and we had no other arms for cavalry to take their place." *Joint Com.*, pp. 198-9.

A small item in the *Missouri Daily Democrat* of August 31, 1861, announced the arrival of "forty boxes of carbines, weighing nine thousand pounds". This referred undoubtedly to an instalment of 800 of Stevens's arms.

A friend of Frémont's, Representative Shanks of Indiana, reported on the floor of the House that Stevens's batch of carbines gave a good account of themselves

120. (p. 55) at the battle of Pea Ridge on March 7-8, 1862. *Congressional Globe*, April 28, 1862, p. 1851. The last we hear of them is in July 1862, when Stevens said that they were in service in the Department of Mississippi. *The New-York Times*, July 12, 1862.

There is one further reference that is worth citing. William Forse Scott in a book of reminiscences, published in 1893, *The Story of a Cavalry Regiment: the Career of the Fourth Iowa Veteran Volunteers*, speaks of Hall carbines, though there is no reason to identify them with the ones that Stevens handled. But his recollection of the arm places it well, both as to its defects and the attitude of the troops toward it:

"It was about this time [1863] that carbines were first issued to the regiment. Only forty could be obtained, and they were divided among several companies. They were 'Hall' carbines, an inferior gun of short range, taking a paper cartridge; but they were breechloaders, and their coming was a thing of great interest to the men. Those who did not receive them envied those who did. It was soon found, however, to be a distinction not altogether desirable; the carbine men were called to the front whenever there was a fight on hand."

121. (p. 56) The following is the appraisal of Hall's arm made by a leading modern authority on the history of fire-arms, Claud E. Fuller:

"When the present day student of military firearms refers to one or more of the very complete histories on the subject now available, he at once becomes impressed with the great achievement of John H. Hall, the inventor of the first breech-loading firearm regularly adopted by any nation." [Fuller, *op. cit.*, p. 17.]

And again:

"The Hall arm represents an outstanding achievement in the development of firearms not only because it was the first breech-loader adopted by any government, but that its construction was undertaken under the interchangeable system which at that time was considered as presenting too many obstacles to ever be successfully accomplished.

"Hall succeeded in developing the system to a point of perfection unsurpassed by even the modern methods of today, and considering the handicaps of working with the crude machines of the time, manually operated or at the best driven by water power, his work is deserving of the greatest credit." [Fuller, *op. cit.*, preface.]

122. (p. 56) Fuller, *op. cit.*, p. 26; House Rep. 375, 24th Cong., 1st Session, pp. 4 *et seq.*
123. (p. 56) Fuller, *op. cit.*, p. 51.
124. (p. 56) *Ibid.*, p. 42. This is not the place to embark on the controversy as to priority in making small-arms with replaceable parts. The evidence seems to indicate that Eli Whitney was first, with Captain Hall and Colonel North running neck and neck for second place. Fuller publishes considerable material on this subject. See also the New York *Herald Tribune*, editorial on "Connecticut Genius", Oct. 10, 1935.
125. (p. 57) *House Invest.*, vol. 1, p. 660: "... I had always liked the principle of the gun as a breech-loader—the advantage, in my mind, being that the cartridge is introduced in front of its seat instead of behind it. I stated, however, that the mechanism of the gun, and the old plan of loading it, had, no doubt, caused its rejection as a breech-loader."
126. (p. 57) *Ord. Rep.*, p. 490. Lt. Buffington in his report on Hall's arms in the Western Department (note 120, *supra*) said that 18 guns had been sent in with broken stocks. "The general condition of these arms," he went on, "as they come from the field for repair, would indicate a great escape of gas through joints, and the residuum of powder left interfering materially with the efficient working of the receiver." Buffington's report does not say how many of Hall's arms were in use in the Western Department, and there is no way to compare the foregoing figures with the breakage occurring to other models in the hard western campaign of 1861-2.
127. (p. 57) *Ord. Rep.*, p. 490. In 1837, when the Hall patent was already standard equipment in the army, the Hall arm was subjected to competitive tests with three experimental models of breechloaders. One of the latter, known as the Cochran, was criticised by the examining board as "highly dangerous both to the bearer and to others in contiguous positions", and in the course of the tests one accident actually occurred. (See Senate Report 15, 25th Cong., 1st Session, p. 9.) Is it possible that the person who wrote the Ordnance Commission's report, probably Major Hagner, had this very mishap in mind but by a slip of memory laid it to the Hall arm?



- 128. (p. 58) See bibliography for general references to the Hall carbine.
- 129. (p. 58) Norton, Charles B., *American Breech-Loading Small Arms*, p. 12; Sawyer, Charles Winthrop, *Firearms in American History*, vol. III, pp. 136-9.
- 130. (p. 58) Fuller, *op. cit.*, p. 29; also printed in House Rep. 375, 24th Cong., 1st Session, pp. 4-5, with some discrepancies in the text.
- 131. (p. 59) Fuller, *op. cit.*, p. 35.
- 132. (p. 59) *Ibid.*, p. 66.
- 133. (p. 60) Senate Ex. Doc. 79, 33rd Cong., 2nd Session, p. 356.
- 134. (p. 60) *Ord. Rep.*, pp. 473-4; 475.
- 135. (p. 60) *Joint Com.*, p. 40.
- 136. (p. 61) House Rep. 85, 36th Cong., 2nd Session. The Floyd controversy evoked voluminous discussion. As the documents relating to the "condemnation" of ordnance stores in 1857 have never heretofore been assembled, and some of them never even published, they will be set forth herein:

## I.

The following is the statute defining the powers of the Secretary of War to sell stores, taken from *Statutes of the United States*, vol. iv., p. 127:

*An Act to authorize the sale of unserviceable ordnance, arms, and military stores.*

*Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the President of the United States be, and he is hereby, authorized to cause to be sold any ordnance, arms, ammunition or other military stores, or subsistence, or medical supplies, which, upon proper inspection or survey, shall appear to be damaged, or otherwise unsuitable for the public service, whenever, in his opinion, the sale of such unserviceable stores will be advantageous to the public service.*

*Sec. 2. And be it further enacted, That the inspection or survey of the unserviceable stores shall be made by an inspector general, or such other officer or officers as the Secretary of War may appoint for that purpose; and the sales shall be made under such rules and regulations as may be prescribed by the Secretary of War.*

Approved, March 3, 1825.

136. (p. 61) According to Ripley, Ordnance Department regulations, parts 94-6 of the edition of 1852, provided that all condemned stores should be sold at public auction; but if the prices offered were not deemed satisfactory they could be bid in, and could afterwards be sold at private sale for prices not less than were offered for them at auction. (*Ord. Rep.*, p. 473.)

## 2.

On August 11, 1857, Secretary Floyd addressed the following communication to the Ordnance Bureau:

The Colonel of Ordnance is requested to report the number of muskets and other small arms on hand which have been made into percussion arms by alteration from the old flintlock, and where they are; also as to the expediency of selling such arms or a portion of them, and applying the proceeds of sale to the procurement of arms of the present improved model; also, whether there are any field guns or Howitzers, or mortars of old patterns, or otherwise unsuitable for the service, which it may be advisable to sell, and where they are.

(Signed) John B. Floyd  
Secretary of War

War Department

11 Aug. 1857.

The foregoing was found in the Old Records Office of the War Department, among Orders and Endorsements, BBNO. 7, entered on August 12, 1857, No. 524.

## 3.

Colonel Craig's reply, dated August 14, 1857, follows:

Ordnance Office  
Washington, August 14, 1857

Sir:

I have the honor to inclose herewith a tabular statement showing the number of muskets and other small-arms altered from flint-lock to percussion, which are on hand at the different arsenals, and the number of such arms at each; also the number and description of field guns, howitzers and mortars (exclusive of trophy and experimental pieces) which are unsuitable for service, and where they are. This statement furnishes, it is believed, the information called for by your letter of the 11th instant.

136. (p. 61)  
(cont.)

As respects the expediency of selling the altered percussion small-arms or any portion of them, concerning which I am requested also to report, the measure is in my opinion inexpedient at present. The number of small-arms (all rifled) of the latest model is very small, about 3,000; their fabrication at the armories has but just begun, and not more than one thousand per month can be calculated upon being turned out for a year to come, judging from the very slow progress since the change of model. The original percussion arms (not altered) on hand at the arsenals are about 250,000 muskets, 56,000 rifles, 18,000 pistols, in all 324,000. If all the altered arms are sold, it will leave on hand a supply of about 327,000 small-arms only. I think that the stock on hand should not be less than one million, and that until it reaches that number by additional manufacture at the armories, no arms that can be made serviceable on an emergency, as all the altered arms reported in the statement can be, should be sold. If offered for sale in large quantities they will not probably command a price nearly equal to their cost or intrinsic value, and the government will sustain a pecuniary loss by such sale. If the sale of small-arms is confined to such as may, on inspection, be condemned as damaged and not worth repair, there can be no objection to it, either on the ground of a diminution of the available stock or of pecuniary loss. Such is the case with the field guns, howitzers, and mortars embraced in the statement.

The commanding officers of the different arsenals and ordnance depots will be called on to furnish lists of the field guns, howitzers, and mortars which may be sold as unsuitable for the public service, and of the damaged small-arms and other ordnance stores not worth repairs, which lists will be submitted to you for the purpose of obtaining authority to sell.

Respectfully, etc.,

H. K. Craig,  
Colonel of Ordnance.

Hon. John B. Floyd,  
Secretary of War.

The foregoing was published by Benét, Brig. Gen. Stephen V., *A Collection of Annual Reports and Other Important Papers, relating to the Ordnance Department, vol. II., pp. 612-3.*

4-

136. (p. 61) Floyd's reply of August 18, 1857, follows:  
(cont.)

I disagree with the views of the Colonel of Ordnance relative to the sale of altered percussion muskets; with a supply of 327,000 percussion arms, not altered, which are added to at the rate of 1000 arms every month of the best model, there is no ground for fear of an inadequate supply of arms, and therefore affords no reason against a sale of the altered arms. As to the inadequacy of the price likely to be offered now, it is certain the evil will be greater and greater as the clumsy arm becomes more and more antiquated.

The Commanding Officer will be directed to include in the lists to be furnished, in addition to the articles enumerated by Col. Craig, the altered arms; and instructions as to the sale of them, or a part of them, will be given after the lists are received and examined.

John B. Floyd  
Sec. of War

War Department  
18 Aug. 1857

The foregoing was found in the Old Records Office of the War Department, among Orders and Endorsements, BBNO. 7, entered on August 18, 1857, No. 538.

5-

Colonel Craig thereupon sent the following communication to the commanding officers of all arsenals:

Ordnance Office, Washington, August 25, 1857.

Sir: By direction of the Secretary of War, you are designated to inspect the field-guns, howitzers, mortars, and altered percussion arms included in the annexed statement, or such of them as may be now at your post. Also, any other field-guns, howitzers, mortars, or small arms on hand, (exclusive of trophy and experimental pieces,) which may be damaged or otherwise unsuitable for the public service.

You will forward to this office an inspection inventory, according to form 11 Army Regulations, with full remarks and recommendations, and duplicate lists according to form 10 same regulations.

Respectfully, etc.,

H. K. Craig,  
Colonel of Ordnance.

To Commanding Officers of Arsenals.

Published in *Ord. Rep.*, p. 475.

## 6.

136. (p. 61) When on November 5, 1857, Colonel Craig duly submitted the list of arms to Secretary Floyd, he accompanied it with this endorsement:

Ordinance Department,

November 5, 1857

Respectfully submitted to the Secretary of War, with the recommendation that the property named in the above list be sold, with the exception of such of the brass guns as are trophies, gifts of foreign nations, and single samples of old models, and all the altered muskets that are fit for service. These muskets would be perfectly serviceable in a struggle with a foreign nation, and are now distributed advantageously to meet such a crisis; their storage costs nothing, and their preservation but a trifling sum. By being thrown into the market in mass at this time, there would be a very great sacrifice. I would, therefore, respectfully suggest that these arms should be disposed of periodically, say, by annual sales, commencing with the third or most inferior class, each sale to consist of a number equal to double the amount of the annual accumulation of muskets in the arsenals by the manufacture of those of the model of 1855. By this mode of procedure we would gradually rid the service and our arsenals of old-model arms without reducing our store much below the dictates of prudence.

The accompanying reports of the inspecting officers, numbered 1 to 17 in red ink, will exhibit in detail the condition of the property referred to.

H. K. Craig,

Colonel of Ordnance.

The foregoing was published by Benét, *op. cit.*, p. 628. The lists of arms mentioned have not been found.

## 7.

Our next and concluding document raises a question that it does not answer. From 1857 to 1860 Ripley was Inspector of Arsenals. In the Old Records Office of the War Department, among "Orders and Endorsements", BB No. 9, Oct. 1, 1859—Sept. 18, 1860, is to be

- 136 (p. 61) found the following endorsement, bearing the identification numbers 0 149 and #860:

Nov. 7, 1859: Submits list of Ordnance & Ord. Stores condemned at the New York Arsenal by Lt. Col. J. W. Ripley, 4 Nov. recommends that they be disposed of.

Approved.

J. B. Floyd  
Secretary of War.

War Department  
7 Nov. 1859

The list mentioned in the endorsement has not been found. From this endorsement it would appear that Ripley himself drew up a list of ordnance stores at Governor's Island in 1859, which he recommended for sale. Why did he not mention this list when the Hall carbine affair broke? Perhaps it did not include the carbines, which would have been embarrassing. But if it did, Ripley's embarrassment might have been equally great, for then the undivided responsibility for condemning and selling the arms would have rested on him, who as Inspector of Arsenals originally put them on the list and who later, as Chief of Ordnance, actually sold them.

137. (p. 62) *Ord. Rep.*, pp. 473, 476-7.
138. (p. 62) *House Invest.*, vol. 2, p. 167.
139. (p. 63) *e.g.*, *Congressional Globe*, March 4, 1862, pp. 1062-3.
140. (p. 63) *Arms Purchase Rep.*, pp. 8, 18. Ripley's bureau bought 444 Sharps' at \$35 each on August 16, 1861; it placed contracts for 6,000 Sharps' at \$30 on June 29 (before Bull Run), for 10,000 Smith's at \$32.50 on August 27; and for 7,500 Burnside's at \$35 on August 27.
141. (p. 63) *Joint Com.*, p. 40: "After they had been rifled and otherwise improved, I purchased them at \$22. Taking into consideration the advance in price of arms caused by the war, I submit that the purchase is not deserving of special censure." Also, *Stevens v. U. S., Testimony*, pp. 68-69: "... the arms purchased from the claimant as testified to were worth to me in the execution of my duties and to the service of the country at that time all that I agreed to pay for them."

142. (p. 64) The record contains much testimony that is either immaterial or partisan on the value of the carbines. The Ordnance Commission paid attention to prices received for Hall carbines in the spring of 1861. (*Ord. Rep.*, p. 490.) Those prices had been established before the Battle of Bull Run affected the arms market; furthermore, nothing is known about the condition and type of the carbines involved.

Stevens and Ketchum introduced into evidence before the Ordnance Commission and later in the Court of Claims the opinions of various experts. (*Ord. Rep.*, pp. 480-2; *Stevens v. U. S., Testimony*, pp. 28-32.)

For Hagner's appraisal, see *House Invest.*, vol. 1, p. 659. Capt. Gordon Granger thought the carbines were worth between \$12 and \$15; *ibid.*, p. 630.

Contemporaries did not notice that Ripley's own bureau, on August 16, 1861, bought 1,575 Hall's rifled muskets at \$15 each, and 920 Hall's carbines at \$9 each. Nothing is known as to their condition. (*Arms Purchase Rep.*, pp. 4, 8.) Throughout the duration of the Civil War, the Ordnance Bureau under Ripley and his successor appears to have bought 3,520 Hall carbines for a total sum of \$64,763.50, or more than \$18 each. (Fuller, p. 226, *op. cit.*) These would not include, of course, the ones bought by Frémont or by Cummings.

It would be easy to multiply quotations from contemporaries about Stevens's carbines, but we have confined ourself to persons who spoke with knowledge of the transaction and the gun.

143. (p. 65) *House Invest.*, vol. 1, p. 236.

144. (p. 65) *Ibid.*, p. 655 *et seq.*

145. (p. 65) *Ibid.*, pp. 244-5.

146. (p. 66) For sources of information about Stevens, see bibliography.

147. (p. 66) To his dying day Simon Stevens seems to have been regarded by many persons as nephew or kinsman of Thaddeus Stevens. The latter, however, was explicit on this point: "... I will say that Simon Stevens is in no way, even in the most remote degree, any kindred of mine." He went on to identify Simon: "He is a constituent of mine. I knew his father [Henry

147. (p. 66) Stevens the antiquarian] when I was very young, in Vermont. He is still living, and as intelligent and honorable a man as that noble state has ever produced. His son came to Pennsylvania to seek his fortune long after I came there; not to the same county, but I went to the county where he resided. His character, where he is known, stands as fair as that of any member of this House—except the Committee [an ironical allusion to the House committee that was investigating government contracts]. He has never been charged or impeached with fraud until now. . . . Whatever I may be, *he* is a gentleman of high character and standing.”—*Congressional Globe*, April 28, 1862, p. 1851.

148. (p. 68) *House Invest.*, vol. 1, p. 656; vol. 2, p. 513; *Ord Rep.*, p. 473.

149. (p. 69) There is perhaps one clue to the identity of Stevens's associates, but it remains unsolved. Stevens's arrangement with Ketchum called for the acceptance by the latter of a \$12,000 draft in favor of one Jacob Griel, *payable only when Ketchum would be in funds from the arms*. (See Ketchum's statement of his account with Stevens, opposite page 42; for other references to Griel's interest, see *Stevens v. U. S., Claimant's Petition*, p. 7; *Testimony*, p. 7; *House Invest.*, vol. 2, p. 515.) It seems a reasonable guess that Jacob Griel was Stevens's mysterious partner, or the cover for his partner or partners. No one asked Stevens who Griel was, and the record gives no hint. Somewhere in the archives of those days details about him may yet be found, and the explanation for the \$12,000 draft cleared up.

In 1861 Stevens still regarded himself as a resident of Pennsylvania, and it is worth noting that Simon Cameron, the Secretary of War who had approved the sale of the carbines to Eastman, was the undisputed political boss of Pennsylvania. Cameron's part in the transaction may well have made it appear safer to Stevens when he got into it. Stevens's first question, when he learned the surprising news that the carbines were on Governor's Island, was whether Cameron had approved the sale. It is not known what Stevens's relations with Cameron were. Cameron and Thaddeus Stevens at this moment appear to have been politically estranged, a reconciliation being effected somewhat later.



149. (p. 69) For Opdyke's connections with the arms market and Marston, see *Opdyke v. Weed*, *op. cit.* For Opdyke's presence in Washington on January 22, 1862, see *House Invest.*, vol. 2, p. 513.
150. (p. 82) *The New York Times*, March 1, 1934; Nov. 12, 1935.
151. (p. 82) *New York Herald Tribune, Books*, March 4, 1934.
152. (p. 82) *The New York Times*, Oct. 28, 1936.
153. (p. 82) *New York Herald Tribune, Books*, Jan. 17, 1937.
154. (p. 82) Publishers' Note, *History of the Great American Fortunes*, by Gustavus Myers, published in The Modern Library by Random House, Inc., 1936, pp. 7-8.
155. (p. 89) For Hartley's testimony, see *House Invest.*, vol. 2, pp. 199-204; the claim of his firm, Schuyler, Hartley & Graham, against the Government was Case No. 70 handled by the Commission on Ordnance Claims and Contracts; see *Ord. Rep.*, pp. 295-6.
156. (p. 90) Myers, Gustavus, *America Strikes Back*, New York, 1935, p. vii.
157. (p. 90) *New York Herald Tribune, Books*, Jan. 17, 1937.
158. (p. 93) *The New York Times*, Dec. 11, 1935.
159. (p. 93) *House Invest.*, vol. 1, p. 630. Captain Granger was testifying:

Question: What is the effect of putting such guns [the Austrian muskets] into the hands of soldiers?

Answer: You can tell from the fact that I had to put 1,000 men under arrest all night to force them to take them.

Question: How did they feel about it?

Answer: They seemed very much discouraged. . . . I have overheard them talking about the gun, and have frequently heard remarks to the effect that they much rather be in front of the guns than behind them.

The next question concerned the Hall carbines, so that the remark about the Austrian muskets was juxtaposed to the inquiry about Hall carbines.

160. (p. 94) For the identity of "Corey", see Benjamin Gitlow, *I Confess*, Dutton, 1939, especially pp. 323-4, 388; also House Report 2277, 77th Cong., 2nd Session, pp. 5-6.
- For contemporary press references to Louis C. Fraina, see *N. Y. Herald*, Oct. 23, 1917; *N. Y. World*, Feb. 10, 1918; *N. Y. American*, Feb. 10 and 11, 1918; and *N. Y. World*, March 26, 1919. See also Washington dispatch about Lewis Corey in *N. Y. American*, Jan. 14, 1935.

161. (p. 105) Reprinted in *Congressional Record*, 64th Cong., 2nd Session, Part 6 (Appendix and Index), p. 388.
162. (p. 107) *Redder Than the Rose*, Covici, Friede, Inc., 1935, pp. 112-3.
163. (p. 109) Senator Long's radio address was published in *Congressional Record*, March 4, 1935, 74th Cong., 1st Session, pp. 3024-5, Appendix.
164. (p. 110) Published by W. W. Norton, Inc., New York, 1934; pp. 298-9.
165. (p. 110) In the edition published by William Heinemann, Ltd., in 1934, pp. 463-4.
166. (p. 111) Introduction to *Merchants of Death*, *supra*, p. viii.
167. (p. 112) Published by George Routledge & Sons, Ltd., 1936; p. 139:

"Among other big business magnates, the old John Pierpont Morgan won his spurs during the struggle, and this by carrying on a trade in arms that was more than questionable. Acting in concert with a certain Mr. Stevens, he bought in the North 5000 carbines which were reported unfit for further use, paying for them 3½ dollars apiece. These he sold for 22 dollars each to General Frémont of St. Louis—in this war the generals having to procure their own arms. Later, when payment became due, the military authorities protested, but Morgan went to law and won his case in the court of first instance and again on appeal. On this deal his net profit was not far short of 100,000 dollars.<sup>1</sup>

<sup>1</sup>"Gustavus Myers, *Geschichte der grossen amerikanischen Vermögen*. Berlin 1923, vol. ii, p. 538."

Also, p. 220:

"The magnates of big business, who during the second half of the nineteenth century attained the summits of plutocracy, had nearly all laid the foundations of their fortunes during the Civil War. We have already seen how John Pierpont Morgan at the age of twenty-four started his traffic in arms, buying and selling old rifles at a profit of 500%."

168. (p. 118) Myers, Gustavus, *America Strikes Back*, p. vii.

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2. Report, exhibits, and testimony of the *Commission on Ordnance Claims and Contracts*, sometimes called the Commission on Ordnance and Ordnance Stores; published as Sen. Ex. Doc. No. 72, 37th Cong., 2nd Session, especially pp. 460-495.

3. Reports and testimony of *Select House Committee appointed to inquire into Government Contracts*; published as House Report No. 2, 37th Cong., 2nd Session, two volumes. Especially the testimony of Major P. V. Hagner (vol. 1, pp. 189-201, 659-664; vol. 2, pp. 1563-4); Arthur M. Eastman (vol. 1, pp. 235-240); Simon Stevens (vol. 1, pp. 242-248); Captain Franklin D. Callender (vol. 1, 620-625; 868-9; 936-940); Gordon Granger (vol. 1, pp. 628-631); Morris Ketchum (vol. 1, pp. 655-659; vol. 2, pp. 512-519); William M. Marston (vol. 1, pp. 670-673); Captain Parmenas T. Turnley (vol. 1, pp. 919-920); Gen. James W. Ripley (vol. 2, pp. 167-8); Marcellus Hartley (vol. 2, pp. 199-204); and William J. Syms (vol. 2, pp. 209-210).

4. The testimony of General John C. Frémont and Colonel I. C. Woods before the *Joint Committee on the Conduct of the War*, appearing in Part III (which deals with the Department of the West) of the Committee's report. The Committee's report was published as Sen. Rep. 108, 37th Cong., 3rd Session.

5. General Ripley's *Report on Purchase of Arms*, published as House Ex. Doc. No. 67, 37th Cong., 2nd Session.

6. Miscellaneous letters and documents relating to the Hall carbine affair in the files of the War Department, the Department of Justice, and the Treasury, which the officials of those departments generously allowed to be photostated.

7. Discussion of the Hall carbine case in the contemporary newspapers and the *Congressional Globe*. All the files of con-

temporary daily newspapers of general circulation in New York and Washington to be found in the New York Public Library and the Library of Congress were searched, as well as the contemporary files of the *Daily Missouri Democrat*. The following is a tabulation of the items discovered:

- 1861
- Aug. 31 *Daily Missouri Democrat*: news item
- Sept. 26 *New-York Tribune*: Wash. dispatch; *Mo. Democrat*: Wash. dispatch
- 27 *Tribune*: letter, editorial
- 28 *Times*: item
- Oct. 1 *Tribune*: editorial note; *N. Y. Commercial Advertiser*: editorial note
- 2 *Mo. Democrat*: editorial; Wash. dispatch
- 4 *Mo. Democrat*: item
- 5 *New York Evening Post*: item; *Washington Evening Star*: editorial note; *Mo. Democrat*: editorial; *Tribune*: editorial
- 7 *Mo. Democrat*: item
- 8 *New York Herald*: Cairo, Ill., dispatch
- 20 *Herald*: Alton, Ill., dispatch
- Nov. 8 *N. Y. Commercial Advertiser*: editorial
- Dec. 17 *Congressional Globe*: p. 116
- 18 *Herald*: news item
- 1862
- Jan. 1 *Tribune*: editorial
- 14 *Cong. Globe*: pp. 308-9
- Feb. 8 *Tribune*: Wash. dispatch; *N. Y. Evening Express*: Wash. dispatch; *Times*: Wash. dispatch
- 9 *Herald*: editorial
- 19 *The World*: item
- 25 *National Republican (Washington)*: editorial note
- Mar. 4 *Tribune*: news item; *Cong. Globe*: pp. 1062-3, 1071
- 8 *Mo. Democrat*: item
- 18 *Tribune*: news item
- Apr. 25 *Cong. Globe*: pp. 1035, 1037-8
- 28 *Cong. Globe*: pp. 1848, 1849, 1851
- 29 *Cong. Globe*: pp. 1868-70; *Appendix*: p. 136
- 30 *Cong. Globe*: pp. 1887-88; *Tribune*: editorial note
- May 2 *Tribune*: Stevens letter, editorial note
- 3 *Tribune*: editorial
- 4 *N. Y. Sunday Dispatch*: editorial
- 7 *Evening Post*: letter
- 22 *Daily National Intelligencer (Washington)*: Ripley letter

- June 5 *Daily National Intelligencer*: letter  
 July 11 *Times*: editorial  
       12 *Times*: Stevens letter  
       13 *Sunday Dispatch*: editorial  
       14 *Tribune*: editorial note and Stevens letter  
       19 *Tribune*: letter and editorial  
       20 *Sunday Dispatch*: editorial  
       24 *Tribune*: letter

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- May 7 *World*: Court decision; *Daily National Intelligencer*: Court decision  
       13 *Times*: Wash. dispatch

8. The Hall carbine affair has been discussed briefly in two monographs dealing with special phases of Civil War history,—Meneely, A. Howard: *The War Department, 1861*, New York, Columbia University Press, 1928, pp. 274-5; and Shannon, Fred Albert: *The Organization and Administration of the Union Army, 1861-1865*, Cleveland, The Arthur H. Clark Company, 1928, pp. 58-61, 120-1. Both writers, who touch on the episode only incidentally, are materially wrong in their facts.

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*States Ordnance*, by Capt. James E. Hicks, Vol. 1, Small Arms 1776-1940, published in 1940 by the author, 428 Rich Avenue, Mount Vernon, N. Y. Also see Sawyer, Charles Winthrop: *Firearms in American History*, vol. III, Our Rifles, Boston, The Cornhill Company, 1920, illustration opp. page 21, pp. 25, 109, 136-9, 223-5; also Norton, Charles B., *American Breech-loading Small Arms*, New York, F. W. Christern, 1872, pp. 10-15; also article by Thales L. Ames, *Capt. John H. Hall: His Contribution to the Art of Arms*, Army Ordnance, May-June, 1923.

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#### IV. INFORMATION ABOUT SIMON STEVENS:

The official record of the Hall carbine case has almost no information about Stevens. In his testimony before the House investigating committee he identified his brother Henry as the London book dealer, and Thaddeus Stevens in the debate in the House of Representatives on April 28, 1862, (Cong. Globe, 37th Cong., 2nd Session, p. 1851) gave some facts about him. For his connection with the New York customs house contract, see (1) his testimony before the House investigating committee, vol. 2, pp. 1536-7; (2) House Ex. Doc. No. 107, 37th Cong., 2nd Session; and (3) the third installment of the Report of the House investigation committee, published as House Reports 49 and 50, 37th Cong., 3rd Session. The foregoing reports and the testimony before the House investigating committee of Hagner, Eastman, and Marston, shed considerable light on his personality. Additional information about his relations with General Frémont is to be found in the testimony in the libel suit of *George Opdyke v. Thurlow Weed*, published in 1865 by the American News Company; see also the interview with Stevens published in *The New-York Times*, on the occasion of Frémont's death, July 28, 1890. General information about his life appeared in Stevens's obituary notices, August 29, 1894, in the *Tribune*, *Times*, *World*, *Herald*, *Sun*, and *Evening Post*. For

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# HISTORY OF THE GREAT AMERICAN FORTUNES

BY

GUSTAVUS MYERS

AUTHOR OF "THE HISTORY OF TAMMANY HALL," "HISTORY OF  
PUBLIC FRANCHISES IN NEW YORK CITY," ETC.

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VOL. III.

GREAT FORTUNES FROM RAILROADS  
(CONTINUED)

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CHICAGO  
CHARLES H. KERR & COMPANY  
1910

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**170 HISTORY OF THE GREAT AMERICAN FORTUNES**

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**MORGAN'S FIRST STROKE OF BUSINESS.**

J. Pierpont Morgan's first ascertainable business transaction was in one of these army contracts; and while it was not on so large a scale as those of older capitalists, it was (judged by prevailing capitalist standards) a very able stroke for a young man of twenty-four. Its success gave promise of much greater things to come, in which respect Morgan's admirers were not disappointed.

In 1857 the army inspecting officers condemned a large number of Hall's carbines as thoroughly unserviceable, and as of obsolete and dangerous pattern. The Government thereupon auctioned off quantities of them from time to time at prices ranging from between \$1 and \$2 each. Five thousand of them, however, still remained in the army arsenal in New York City and were there when the Civil War broke out.

On May 28, 1861, one Arthur M. Eastman, of Manchester, New Hampshire, made an offer to the Government to buy these rifles at \$3 each. Knowing the great frauds going on in the furnishing of army supplies, the Government officials might well have been suspicious of this offer, but apparently did not question its good faith. The rifles were sold to Eastman at \$3.50 each. But either Eastman lacked the money for payment, or had been thrust forward to act as a dummy for a principal in the background. One Simon Stevens<sup>14</sup> then stepped

<sup>14</sup>The House Investigating Committee on Government Con-

## J. PIERPONT MORGAN'S GENESIS

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on the scene, agreeing to back Eastman to the extent of \$20,000, which sum was to be applied for payment for the rifles; as collateral security Stevens took a lien upon the rifles. But from whom did Stevens get the funds? The official and legal records show that it was from J. Pierpont Morgan.

## A GREAT SCANDAL OF THE TIME.

The next step in this transaction was in Stevens' telegraphing, on August 5, 1861, a notification to General Fremont, commanding at St. Louis, that he had five thousand new carbines, in perfect condition, and inquiring whether Fremont would take them. From Fremont's headquarters came word to ship them to the army headquarters at St. Louis at once. During all of this time the carbines had remained at the arsenal in New York City. Upon receiving Fremont's order, Morgan paid the Government the sum of \$17,486—at the rate of \$3.50 a carbine. The rifles were shipped direct from the arsenal to St. Louis. And what was the sum charged upon the Government for them? The bill made out to

tracts in 1862 reported to Congress that Simon Stevens was one of a clique involved in custom-house frauds. Before 1859, the New York Collector of the Port had employed the laborers and cartmen in the appraiser's store to haul goods to the Government bonded warehouses. In August, 1859, Collector Schell (a corrupt Tammany politician) made a contract by which the hauling was turned over to some of his political associates. They were paid \$123,000 a year. "Upon this contract," reported Chairman Van Wyck, "the parties made from fifty to seventy-five thousand dollars yearly." The committee showed how the contract had been corruptly obtained, and stated that Stevens had a one-eighth share of the profits. Stevens also caused any of the custom-house clerks who said anything against the contract to be removed from office.—The Congressional Globe, Third Session, Thirty-seventh Congress, 1862-63, Part II, Appendix: 118.

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Fremont called for the payment of \$22 apiece for the consignment.<sup>15</sup>

This was one of the many army contracts popularly and officially regarded as scandalous in the highest degree; one of the select Congressional Committees of 1862 lost no time in the investigating of it. After making a full inquiry this committee reported:

Thus the proposal actually was to sell to the Government at \$22 each 5,000 of its own arms, the intention being, if the offer was accepted, to obtain these arms from the Government at \$3.50 each. . . . It is very evident that the very funds with which this purchase was effected were borrowed on the faith of the previous agreement to sell. The Government not only sold one day for \$17,486 arms which it had agreed the day before to

<sup>15</sup> Reports of Committees, Second Session, Thirty-seventh Congress, 1861-62, Vol. ii: lxiv-lxxli.

The frauds at Fremont's headquarters, at St. Louis, were particularly enormous. Major McKinstry, quartermaster of the U. S. army at that place, was tried by a courtmartial on sixty-one specifications of corrupt practices, and was found guilty on twenty-six. The testimony showed the grossest frauds, by collusion, in all kinds of army supplies. The Morgan rifle transaction, however, was not brought out in the specifications. McKinstry was discharged from the army.—House Reports, Committees and Court of Claims, Third Session, Thirty-seventh Congress, 1862-63, Report No. 49: 1-24.

That the bribery of certain Union officers was a fact was revealed by this communication sent by Major-General Frederick Steele, on July 26, 1864, from Little Rock, Ark., to Major-General E. R. S. Canby, commanding the Military Division of West Mississippi:

"General: Your communication in regard to bribery among the officers of my command is just received. If bribes had been taken it must have been by agents. I am satisfied that the officers know nothing about it. General Marcy, Inspector-General, is at Fort Smith investigating the matter. Carr is chief-quartermaster of my corps and a lieutenant-colonel. Brig.-Gen. J. W. Davidson has slandered Carr on all occasions. . . . He could have had affidavits in regard to the corruption of his own disbursing officers if he had wished them. I have seen such affidavits."—House Miscellaneous Documents, Second Session, Fifty-second Congress, 1892-93 (Rebellion Record Series I, Vol. xli), p. 401.

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repurchase for \$109,912—making a loss to the United States of \$92,426—but virtually furnished the money to pay itself the \$17,486 which it received.

The committee further reported that the rifles were so bad that it was found that they would shoot off the thumbs of the very soldiers using them. But not only did the Government condemn the transaction as a bare-faced swindle; Marcellus Hartley, himself a dealer in arms and a self-confessed swindler, had declared before the committee, "I think the worst thing this Government has been swindled upon has been these confounded Hall's carbines."<sup>16</sup> The Government refused to pay Morgan the \$22 demanded for each of the five thousand carbines, whereupon Morgan pressed his claim. Thus it was that the case of J. Pierpont Morgan vs. The United States Government came into the public records. It figured as case No. 97.<sup>17</sup> To adjudicate this claim, as well as many other similar claims, the Secretary of War appointed a Commission composed of J. Holt and Robert Dale Owen, son of the famous Robert Owen.

Reporting on July 1, 1862, this commission stated that one hundred and four cases, involving demands upon the National Treasury to the extent of \$50,000,000 had been referred to it, and that it had cut out \$17,000,000 of claims as extravagant and fraudulent.<sup>18</sup> In passing upon Morgan's claim it declared that General Fremont had no authority to contract for the rifles, but that it, the committee, recognized a legal obligation on the part of the Government arising from the fact that the arms passed into the service of the army. As the best way out of a bad bargain it decided to pay Morgan at the

<sup>16</sup> Reports of Committees, Second Session, Thirty-seventh Congress, 1861-62, Vol. ii: 200-204.

<sup>17</sup> Ibid., 64-72.

<sup>18</sup> Ibid., lxxvii.

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rate of \$13.31 a carbine, and it pointed out that even at this price Morgan and Stevens stood to make \$49,000 above the price at which the rifles had been sold to them by the United States.<sup>19</sup> Under this ruling a total of \$55,550 was paid to Morgan by the Government, which sum was accepted on account only.

This settlement, however, was not satisfactory to the claimants; the full pound of blood was demanded. Suit was brought in the Court of Claims at Washington for \$58,000 more. This time the case was entitled Simon Stevens vs. The United States Government.<sup>20</sup> In the settlement of the case before the court the fact was emphasized that, according to the Government, the carbines had been inspected and pronounced unserviceable by the Government ordnance officer. In delivering his decision Judge Peck said: "By an arrangement between Stevens and one J. Pierpont Morgan the voucher for the first two thousand and five hundred carbines delivered was to be made out in the name of Morgan, which was done; the said voucher was signed by F. D. Cadwallader, Captain of Ordnance, United States Army, and was for the sum of \$55,550. By further arrangement this voucher went into the hands of Messrs. Ketchum, Son and Company." This voucher was paid on or about September 10, 1861. The other twenty-five hundred rifles, the court said, had also been received by Fremont.<sup>21</sup>

<sup>19</sup> Ibid., lxxv. The Commission stated that there was a legal obligation on the part of the Government to pay, but that this obligation arose not from Fremont's contract, but because the arms did pass into army service.

<sup>20</sup> Court of Claims Reports, ii: 98, etc.

<sup>21</sup> Ibid., 99. In arguing for the Government the U. S. Assistant Solicitor said to the court:

"The arms were purchased by Arthur M. Eastman, from the United States, at *three and one-half dollars each*, because they had been inspected and pronounced unserviceable by the ord-

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These are the facts as set forth in unimpassioned court records.

## COURTS MAKE THE GOVERNMENT PAY.

Did Morgan and his associates get their full demands from the Government? They did. Judge Peck held that when Fremont had agreed to buy the rifles he had entered into a contract which bound the Government, and that a contract was a contract. The court took no cognizance of the fact that the worthless, condemned rifles had been represented as new, nor did it consider the fact that the money with which they had been bought from the Government was virtually Government money. It gave Stevens a judgment against the Government for \$58,175.

It was this particular decision which assured the open sesame for the holders of what were then cynically called "deadhorse claims" to collect the full amount of their swindling operations. The Government could now plead itself defenseless against the horde of contractors who had bribed officials to accept decayed ships and defective armor, worthless arms and shoddy clothing, flimsy tents, blankets and shoes, and haversacks which came to pieces, adulterated food and similar equipment and supplies. As for criminal action, not a single one of these defrauders went to prison, or stood any danger of it; the courts throughout the land were perennially busy rushing off petty defrauders to imprisonment and em-

nance officer. They were sold by Eastman to the claimant for twelve and one-half dollars each, and the claimant at once sold to General Fremont at *twenty-two dollars* each. The Government price for *new* arms of this pattern, of good quality and fit for service, was seventeen and one-half dollars."—Ibid., 98.

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ploying the full punitive power of their machinery against poor, uninfluential offenders.<sup>22</sup>

This was the real beginning of J. Pierpont Morgan's business career; the facts are there immovable and unassailable in the public records. This was the brand of "patriot" he and his fellow capitalists were; yet ever since, and especially so to-day, clergy and politicians and shallow, obsequious writers saturate the public with myths all designed to prove Morgan's measureless benevolence and lofty patriotism.<sup>23</sup>

<sup>22</sup> In reporting to Congress, on March 3, 1863, the House Select Committee on Government Contracts, after submitting its great amount of testimony regarding the frauds on every hand, concluded:

"Many frauds have been exposed, the Government relieved from many unconscionable contracts, and millions of dollars saved to the treasury. Yet it is a matter of regret that punishment has not been meted out to the basest class of transgressors. They to whom this duty belonged seemed sadly to have neglected it. *Worse than traitors in arms are the men pretending loyalty to the flag, who feast and fatten on the misfortune of the nation, while patriot blood is crimsoning the plains of the South, and bodies of their countrymen are mouldering in the dust.* The leniency of the Government towards these men is a marvel which the present cannot appreciate, and history never explain."—House Reports, Committees and Courts of Claims, Third Session, Thirty-seventh Congress, 1862-63, Report No. 50: 47.—But history can explain. It was not to be expected that the very class controlling Government—the capitalist class—was to be proceeded against by its creature.

<sup>23</sup> For example, an article entitled "Cleveland's Opinion of Men," in "McClure's Magazine," issue of April, 1909. The writer of this article quotes Cleveland, for several terms President of the United States, as saying of Morgan's conduct when a bond issue was under way in 1894:

"I saw, too, that with him it was not merely a matter of business, but of clear sighted, far-seeing patriotism. He was not looking for a personal bargain, but sat there, a great patriotic banker, concerting with me and my advisers as to measures to avert a peril, determined to do his best in a severe and trying crisis."



# THE HOUSE OF MORGAN

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A SOCIAL BIOGRAPHY OF THE  
MASTERS OF MONEY  
BY  
LEWIS COREY



NEW YORK  
G·HOWARD WATT·1930

## WAR—AND CARBINES

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profit, William H. Vanderbilt farming, John D. Rockefeller investing savings in an oil refinery, Andrew Carnegie in civilian service, and Philip Armour speculating in pork (which he sold "short" on the approach of Union victory, clearing \$2,000,000).<sup>2</sup> The call "to make men free" did not thrill these men, calculating the chances of becoming rich: others might die but they must amass.

The son of Junius Morgan concentrated on business during the war under the firm name of J. Pierpont Morgan & Co., private bankers. On Exchange Place, in the shadow of the Wall Street he was later to rule, the arrogant, massive youngster plied his business, mostly foreign exchange. Nothing about him attracted attention or indicated the coming master of money (unless it was his concentration on business). Men later tried to create an aura for the young Morgan, attributing to him an "impressive" utterance: "We are going some day to show ourselves to be the richest country in the world in natural resources. It will be necessary to go to work, and to work hard, to turn our resources into money to pay the cost of the war just as soon as it is ended."<sup>3</sup> Which was neither impressive nor original, being the common talk of the day. Morgan was an up-and-coming youngster ploddingly engaged in the banking business in a comparatively small way and pursuing the ordinary routine of making money, of which the war was simply an aspect. In doing this and while awaiting the rich future, J. Pierpont Morgan participated in a transaction characterized by a committee of the House of Representatives as fraudulent—"an effort to obtain from the government some \$49,000 over and above the value of the property sold" and "a crime against the public safety."<sup>4</sup>

This transaction of Morgan's was included among the war-contract frauds revealing an extraordinarily low level of business morality. Six weeks after the war started the *New York Times* declared that "very general and, we fear, well-grounded complaints and apprehensions exist of great corruption and

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wastefulness in contracts for our Army and Navy.”<sup>6</sup> The House of Representatives immediately appointed a select committee to investigate, the chairman of which wrote privately to Secretary of the Treasury Salmon P. Chase of an “organized system of pillage . . . robbery, fraud, extravagance, speculation.”<sup>6</sup>

The charges were amply proven by the facts. In the business world speculation and profiteering flourished menacingly and unashamed, multiplying the burdens of war and the chances of disaster. While the lonely man in the White House (the practical politician becoming great under tragic pressure) tried to impose his dreams upon events and soldiers yielded their full measure of devotion to the music of “As He died to make men holy let us die to make men free,” buccaneers in the business community interpreted the mighty events of an epic age in terms of profit and loss. The soul of the nation was not in them but in the men who answered the call for volunteers, singing as they marched, “We are coming, Father Abraham, 300,000 more”—in these men and in the man who aroused their devotion.

Profiteers swooped upon the government (in the North and in the South). Systematic customs frauds prevailed, which Secretary Chase reported had “been successfully carried on for a series of years.”<sup>7</sup> A legion of traders in government patronage sprang up who, by corrupt political influence, secured contracts which they sold to manufacturers at a large profit: the manufacturers raised their prices accordingly, and a trifle more. Fraud tainted much of the money paid by the government on contracts and the balance was tainted by excessive profits. The committee of the House of Representatives in 1862 reported large frauds in the purchase of ordnance and stores, Treasury and War Department employees, contractors, politicians and bankers conspiring to swindle the government. “Profits from the sales of arms to the government have been enormous,” said the investigating committee, “and realized by a system of brokerage as unprincipled and dishonest, as

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unfriendly to the success of the nation, as the plottings of actual treason.”<sup>8</sup> Neither the investigation nor ousting of the Secretary of War improved matters much, leading one Representative in 1863 to say: “After the lapse of two years we find the same system of extortion, frauds and speculation prevailing.”<sup>9</sup> The cry went up: “Corruption will ruin us!”

The investigating committee reported frauds in 104 cases and refused payment of \$17,000,000 out of \$50,000,000 on contracts. J. Pierpont Morgan appeared in a case as financing the sale to the government of the government's own arms at an extortionate profit. The facts are in the Congressional Reports, “Case No. 97. J. Pierpont Morgan. Claim for payment of ordnance stores.... Referred by special direction of the Secretary of War.... Claimed, \$58,175.”<sup>10</sup>

In 1852 certain unserviceable ordnance stores were condemned by inspecting officers of the army, among them a batch of Hall's carbines, which were thereafter sold from time to time at prices ranging from \$1 to \$2 apiece. Upon the outbreak of war an adventurer, Arthur Eastman, negotiated for the purchase of these carbines. After haggling over price and terms the War Department issued instructions to sell Eastman 5,000 carbines at \$3.50, “to be paid for at once.” The prospective buyer, having no money of his own, tried to buy the carbines 1,000 at a time payable in ninety days, and was refused. Eastman was unable to raise the necessary money until a corrupt speculator, Simon Stevens, agreed to make a loan of \$20,000 in return for a lien on the carbines (which Eastman had not purchased and which were still government property) and an agreement to sell them to Stevens at \$12.50 apiece. All Eastman offered in this transaction was a letter from the War Department which magically produced a profit of \$20,000. It was not Stevens' money which Eastman received, but a draft issued by J. Pierpont Morgan & Co. which was sold by Eastman to Ketchum, Son & Co. who, according to Morris Ketchum's testimony, expected “to get their money out of Mr. Morgan when

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he gets it." (Ketchum refused to tell the investigating committee what his profit was on the deal, that "being my private business which the government has no right to inquire into.")<sup>11</sup>

Although desperately in need of arms the government was not using any of the Hall carbines, condemned as unfit and dangerous for military use. Simon Stevens offered the carbines for sale in a telegram to General J. C. Frémont, saying "I have 5,000 carbines for sale," which was untrue, no purchase having been made and the carbines being still government property stored in a government arsenal. Frémont, needing arms badly and "in business as gentle as a girl and confiding as a woman,"<sup>12</sup> accepted Stevens' offer, the price being \$22. The day *after* the receipt of Frémont's telegraphic acceptance Arthur Eastman bought the 5,000 carbines at \$3.50 apiece from the War Department, payment of \$17,486 being made by J. Pierpont Morgan. When the "sale" was made to General Frémont "the arms were still the property of the government," reported the investigating committee, "the proposal being to sell the government its own arms.... The government not only sold, one day, for \$17,486 arms which it had agreed the day before to repurchase for \$109,912, making a loss to the United States on the transaction of \$92,426, but virtually furnished the money to pay itself the \$17,486 which it received."<sup>13</sup> Moreover, the arms were more dangerous to the Union troops than to the Confederates.

The conspirators shipped 2,500 carbines. Apparently apprehensive, they did not ship the other carbines until payment of \$55,550 for the first batch had been received by J. Pierpont Morgan—that is, forty days after the "sale," although General Frémont had urged "hurry." Their apprehensions were justified. Payment for the second batch of carbines was refused and Morgan's bill for \$58,175 turned over to the Secretary of War who referred it to the committee investigating government contracts. After severely castigating the participants in the transaction, the committee allowed \$9,678 on Morgan's

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claim plus brokerage of \$1,330. The claim for payment, Morgan insisted, was justified because his House had "made advances in good faith to Mr. Stevens on the security of his agreement with General Frémont." This claim of "good faith" was dismissed by the committee since Morgan "declined to disclose the terms" upon which the advances were made to Stevens. The committee said:

"Nor is it an unfair inference, from the unwillingness evidenced by the House in question [J. Pierpont Morgan & Co.] to state the terms on which their advances were made, that if these terms were disclosed they might supply evidence that, during the negotiations for funds, doubts as to the sufficiency of the security had actually presented themselves, and that the confidence claimed to have been felt by them was largely mingled with distrust."<sup>14</sup>

The committee included in its decision a discourse to Stevens, Morgan, Ketchum and Eastman on equity and good citizenship:

"It is impossible to regard such a transaction as having been entered upon in good faith, and as having, for such reason, an equitable claim to be confirmed. In France, during periods of civil commotion, may often be seen inscribed on the bridges, monuments and other public structures the words '*committed to the guardianship of the citizens of France.*' In our country it should not be regarded as a romantic stretch of political morality to declare that all public interests ought to be regarded as under similar guardianship, more especially in time of trial and need like the present. He cannot be looked upon as a good citizen, entitled to favorable consideration of his claim, who seeks to augment the vast burdens, daily increasing, that are to weigh on the future industry of the country, by demands on the Treasury for which nothing entitled to the name of an equivalent has been rendered."<sup>15</sup>

The carbine scandal assumed considerable political importance, being one of many frauds reported in General Fré-

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mont's army. Although the frauds were many (General Grant complained of bad muskets, unfit beef, poor hay and extortionate prices)<sup>16</sup> there was proof of incompetence in Frémont's case and the investigating committee proposed to oust him. But Frémont was an implacable enemy of slavery and there was an immediate rally to his defense by men who considered the proposed ouster a move against the anti-slavery forces (and of men who despised Abraham Lincoln). Thaddeus Stevens interpreted the issue in terms of Frémont's "honesty, integrity and patriotism," and said that while "Simon Stevens' speculation may not be very pleasant to look at, it was a legitimate business transaction."<sup>17</sup> The implacable old man, wrapt in the struggle to crush the slavocracy by any and all means, cynically brushed aside the issue of corruption—as he did in the post-war struggle against the South. Nevertheless, General Frémont was ousted on charges of incompetence.

The investigating committee's castigation was wasted on Simon Stevens.\* While Morgan withdrew from the case, Stevens persisted in his claim and it was granted in 1866 by the Court of Claims on a strictly technical decision. The Court, four against one, decided there was "no proof of fraud" and accepted Stevens' contention that he was the legal owner of the carbines at the time of their sale to Frémont, in spite of their being still government property and stored in a government arsenal. "It was General Frémont's duty to buy those arms," declared the Court. "Should he leave his troops unarmed and suffer rebellion to rush in unresisted?" Since Frémont did buy the carbines, "the government must abide the responsibility and pay."<sup>18</sup> This decision assured payment of

\* Simon Stevens was mixed up in the customs frauds in New York City. He refused to answer an investigating committee's questions about his profits on a "labor contract" he had secured, insisting that "the government has no right to inquire into my private affairs." Under pressure, however, Stevens revealed having paid \$20,000 for the contract, another \$42,000 in bribes and making a profit of \$60,000. (*Reports of Committees, House of Representatives, 3rd Sess., 67th Cong., Court of Claims, 1862-3, pp. 83, 123.*)

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all the "dead-horse claims" against the government held by a horde of fraudulent contractors.<sup>19</sup> It was a decision, moreover, in accord with the mood of cynical corruption which flourished in the national government after the Civil War, unscrupulous, pervasive and appalling.



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## CHAPTER V

(1) Clark, I, pp. 371-8; (2) Hunt's Mag., April 1857, p. 506; (3) Hoggson, p. 129; Hunt's Mag., Nov. 1844, p. 432; (4) Stevens, p. 736; (5) Hoggson, p. 140; Hunt's Mag., Nov. 1844, p. 432; (6) Bank Reformer, Dec. 1, 1841, p. 53; (7) Senate, Documents (1843), Doc. No. 104; (8) Statistical Abstract, 1928, p. 447; (9) Hunt's Mag., Jan. 1857, p. 71; Williams, pp. 13, 14; Dewey, pp. 46, 56; Hobson, p. 111; (10) Dictionary of National Biography, p. 577; (11) Hunt, II, p. 430; (12) Hanaford, pp. 240, 242; (13) Phelps, pp. 9, 10; Burr, pp. 39, 47; Moody, Masters of Capital, p. 4; (14) Hunt's Mag., Jan. 1842, p. 94; *ibid.*, Sept. 1850, p. 348; (15) Peabody, An Address, pp. 16, 18; (16) Hunt's Mag., April 1857, pp. 8, 9; (17) Times, Dec. 4, 1869; (18) New Age, Dec. 1910, p. 503; (19) Hunt's Mag., Nov. 1844, p. 432; (20) Dewey, p. 230; Americana, Sept. 1912, pp. 860-62; (21) Tooke, II, pp. 306, 307; (22) Williams, p. 14; (23) *ibid.*, p. 13; (24) Peabody Memorial, p. 17; (25) Duyckinck, I, p. 598; (26) Ward, p. 104; (27) Myers, II, pp. 24-5; (28) Senate Doc. No. 610 (1839-40), pp. 149-87; (29) Hungerford, p. 302; (30) Hunt's Mag., Oct. 1850, p. 487; (31) Croffutt, pp. 45-50; (32) Hanaford, p. 78; (33) Clark, I, p. 7; Hanaford, p. 79; (34) Clark, II, p. 7; (35) Hunt's Mag., Nov. 1857, p. 583; (36) Curry, p. 7; Bankers' Mag., April 1858, p. 837; (37) Hovey, p. 26; (38) McClure's, Oct. 1901, p. 509; (39) Hovey, p. 28.

## CHAPTER VI

(1) Times, Aug. 19, 1864; (2) Clews, p. 664; (3) Hovey, p. 46; (4) House, Reports of Committees, 1861-62, I, p. 52; (5) Times, May 28, 1861; (6) Chase, II, p. 507; (7) U. S. Treasury Report, 1862, p. 28; (8) House Reports (1861-2), I, p. 34; (9) Cong. Globe (1862-3), p. 117; (10) House Reports (1861-2), Appendix; (11) House Reports (1861-2), I, pp. 657-8; (12) Times, Aug. 21, 1865; (13) House Reports, Appendix, LXVII; (14) *ibid.*, LXXVI; (15) *ibid.*, LXX; (16) House Reports (1861-2), II, LXXVII; (17) Cong. Globe (1862), p. 1851; (18) Court of Claims (1866), II, pp. 96-102; (19) Myers, III, p. 175.

## CHAPTER VII

(1) Times, July 8, 11, 1865; (2) Hovey, p. 24; (3) Cornwallis, p. 8; (4) White, p. 175; Cornwallis, p. 10; Oberholtzer, I, p. 213; (5) Hovey, p. 33; (6) Times, Aug. 21, 1865; (7) *ibid.*, July 14, 17, 1863; (8) Hovey, p. 31; (9) Times, Oct. 6, 1863; (10) *ibid.*, Oct. 11, 1863; (11) *ibid.*, Oct. 21, 1863; (12) *ibid.*, Feb. 28, 1863; (13) World, June 22, 1864; (14) Bolles, p. 153; (15) Post, Oct. 1, 1862; (16) Hovey, p. 48; (17) Herald, June 23, 1864; (18) Times, June 23, 1864; (19) Cornwallis, pp. 10-11; (20) Times, Aug. 28, 1865; Sept. 2, 1865; (21) *ibid.*, Sept. 9, 1865; (22) *ibid.*, Dec. 31, 1865; (23) Wall Street Journal, April 1, 1913; (24) Bankers' Mag., Dec. 1864, p. 508; (25) Journal of Commerce, April 1, 1913.

## CHAPTER VIII

(1) Adams, Foreign Intervention, p. 13; Schlueter, p. 10; (2) Times, Oct. 26, 1866; *ibid.*, Oct. 31, 1866; (3) *ibid.*, Oct. 27, 31, 1866; (4) Hanaford, p. 65; (5) Saturday Evening Post, July 12, 1930, p. 46; (6) Commons, American Industrial Society, IX, pp. 76-8; (7) *ibid.*, p. 221; (8) Clark, II, pp. 36, 37, 40; Mitchell,

# MORGAN THE MAGNIFICENT

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*The Life of*  
J. PIERPONT MORGAN  
(1837-1913)

*By*  
JOHN K. WINKLER  
*Author of John D., A Portrait in Oils*



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## MORGAN *the* MAGNIFICENT

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In 1860 Junius Morgan suggested that Duncan, Sherman & Co. take his son into partnership. The proposal was curtly declined. Angered, the elder Morgan directed Pierpont to take an office of his own; and made him American factor for George Peabody & Co. Soon the name of J. Pierpont Morgan appeared on a small suite on the second floor of the drab building at 50 Exchange Place, opposite the entrance to the old Stock Exchange.

For the next year or two young Morgan dealt in foreign exchange and purchased miscellaneous securities for the account of Peabody & Co. His eyes and ears were always open to opportunity, however, and he never overlooked a chance to speculate a bit on his own hook.

At the opening of the Civil War he took a private flyer that provoked the ugly charge that he had sold rotten muskets to the Government—a charge that was to pursue him all his life. In May, 1861, one Simon Stevens came to Morgan and told him that he and Arthur M. Eastman, of Manchester, N. H., had an opportunity to turn a pretty penny in the purchase and resale to the Government of 5,000 carbines in the Army arsenal in New York. Four years before, Army ordnance officers had condemned the guns as unserviceable and dangerous. Whether Morgan was told this never developed. However, he advanced part of the purchase money, taking a lien on half the carbines as collateral security.

Eastman and Stevens paid \$3.50 each for the guns, which they promptly resold at \$22 apiece to General Frémont, commanding the Federal forces at St. Louis. Tests showed that the carbines were obsolete. Frémont

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## TRICKS OF A TRADE

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refused to authorize payment of the \$109,912 agreed upon. A War Department commission investigated and awarded Eastman and Stevens \$55,550. Stevens demanded the full amount and sued in the Federal Court of Claims for \$58,000 additional. He won the case, the Court holding that Frémont had entered into a contract and "a contract is a contract." The Court stated that "by arrangement between Stevens and one J. Pierpont Morgan, the voucher for the first 2,500 carbines delivered was to be made out in the name of Morgan, which was done."

Gustave Myers, author of "History of Great American Fortunes," points out: "This decision opened the way for the owners of what were then cynically called 'Deadhorse' claims to get paid, and also for those contractors who had furnished other worthless arms and supplies of shoddy clothing, rotten tents and blankets, pasteboard shoes, adulterated food and other goods to the Government at exorbitant prices. A fine beginning for the great J. Pierpont Morgan, was it not?"

So far as the writer is aware, Morgan never answered oft-repeated allegations that he had knowingly profited through this legal but tricky transaction.

The dour young broker created his first real ripple in Wall Street when Charleston, South Carolina, was under bombardment and its fall expected momentarily. Gold was at a premium. Importers in New York were delaying remittances abroad, hoping to take advantage of a falling market. But Charleston did not surrender, and gold continued to rise both on the Exchange and in that curious institution at William Street and Exchange

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# THE Robber Barons

THE GREAT AMERICAN CAPITALISTS

1861-1901

by Matthew Josephson



*There are never wanting some persons  
of violent and undertaking natures,  
who, so they may have power and  
business, will take it at any cost.*

FRANCIS BACON

HARCOURT, BRACE AND COMPANY  
NEW YORK

## OF EMPIRE-BUILDERS

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After his apprentice years Pierpont Morgan in New York enjoyed, through his father's intervention, the American agency for the banking house of George Peabody & Co. Junius Morgan, like the somewhat older and better loved George Peabody, was a man of the highest business probity. This meant that he was "conservative," that in the pursuit of the most soundly profitable chances for gain he discharged his trust faithfully to those who entered into collusion with him. It meant being highly scrupulous, almost puri-

tanical in fulfilling the letter of all contracts, so that the "good-will" of depositors and clients might be retained over a long period of years. For such qualities of conservatism and purity George Peabody & Co., the old tree out of which the House of Morgan grew, was famous. In the panic of 1857, when depreciated securities had been thrown on the market by distressed investors in America, Peabody and the elder Morgan, being in possession of cash, had purchased such bonds as possessed real value freely, and then resold them at a large advance when sanity was restored. In this way they had won the plaudits of such a statesman as Edward Everett, "for having performed the miracle by which an honest man turns paper into gold."

For the same "conservative" reasons, Peabody and Morgan, as international bankers, busied themselves during the Civil War in conducting the flight of American capital which brought great sums of money to be placed with them in London. In the *Springfield Republican*, Samuel Bowles attacked them saying:

*. . . They gave us no faith and no help in our struggle for national existence. . . . No individuals contributed so much to flooding the money markets with evidences of our debts to Europe, and breaking down their prices and weakening financial confidence in our nationality, and none made more money by the operation.*

But such strange charges were based of course on an innocent misconception of the clear interest of the bankers, which confused their rôle with that of those common men who served because they loved to serve, as Judge Thomas Mellon would say, at Gettysburg or The Wilderness. The saner and more widely accepted view was of course that expressed by Samuel Tilden at a public banquet to Junius Morgan, some years after the war, in which the father of Pierpont Morgan was lauded for "upholding unsullied the honor of America in the tabernacles of the old world. . . . While you are scheming for your own selfish ends, there is an overruling and wise Providence directing that most of all you do should inure to the benefit of the people."

While full of probity like his father, Pierpont Morgan already under his silent, phlegmatic exterior nourished more impetuous ambitions to advance the common good. Early in 1861, when many pressed to fill war contracts, a wise Providence doubtless directed

## OF EMPIRE-BUILDERS

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him upon a venture in war munitions, on the sensible ground that carbines were as keenly demanded as bags of coffee several years before.

A certain Simon Stevens, who had an option for 5,000 Hall carbines, through another dealer named Eastman, came to Morgan with an urgent request for a loan against this war material which he soon hoped to sell to the government at a profit. In advance, he had by telegraph arranged to sell them to General Frémont, who headed the Western Army quartered near St. Louis. Stevens, who had long been engaged in obscure transactions with customhouse officials, may or may not have divulged that he needed the sum of \$17,486 from Morgan in order to purchase the carbines from the very same government at Washington whose army in the West clamored for guns. This paradoxical situation was caused by the fact that the carbines in question were found by inspection to be so defective that they would shoot off the thumbs of the soldiers using them. The quartermaster at Washington sold them for \$3.50 apiece. "The government had sold one day for \$17,486 arms which it had agreed the day before to purchase for \$109,912," as a Congressional committee later discovered. That young Morgan knew of this situation is plain from the fact that after arrival of the consignment of guns at General Frémont's division, he bluntly presented his claim not for the money he had advanced, but for all of \$58,175, half of the shipment having been already paid for in good faith.

Morgan's claim for the full sum of \$109,912, where he had loaned only \$17,486, may have been an indication to the Congress that his part in the affair was something more than a passive money-lender's. In the ensuing investigation, March 3, 1863, a Committee on Government Contracts, amid much outcry on "pillage, fraud, extortion" had demanded that Morgan disclose the terms upon which he had entered the transaction, though without breaking his obdurate silence. The Congressmen had not been convinced that this large and sullen young man's operations "inured to the benefit of the people," and had seen fit to lecture him. Of him and his fellows their report had said:

*He cannot be looked upon as a good citizen, entitled to favorable consideration of his claim, who seeks to augment the vast burdens, daily increasing, that are to weigh on the future industry of the*



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## THE ROBBER BARONS

*country, by demands upon the treasury for which nothing entitled to the name of an equivalent has been rendered. . . . Worse than traitors in arms are the men who pretending loyalty to the flag, feast and fatten on the misfortunes of the nation, while patriot blood is crimsoning the plains of the South and bodies of their countrymen are moldering in the dust.<sup>6</sup>*

# MERCHANTS OF DEATH

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*A Study of the International  
Armament Industry*

BY

H. C. ENGELBRECHT, PH. D.

Associate Editor, *The World Tomorrow*

AND

F. C. HANIGHEN

FOREWORD BY

HARRY ELMER BARNES

*ILLUSTRATED*

DODD, MEAD & COMPANY  
NEW YORK 1934

## SECOND-HAND DEATH

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twentieth of an inch thick, and the stocks were made of green wood which shrank so that bands and trimmings became loose. The bayonets were often of such frail composition that they bent like lead and many of them broke off during bayonet drill. Some of the rifle barrels were rough inside from imperfect boring and burst during target practice.<sup>3</sup>

So flagrant and widespread were these abuses that there was much talk about the necessity of government arsenals to insure good arms. One expert estimated that the arms, ordnance and munitions of war bought by the government from private contractors and foreign armories since the beginning of the war cost, over and above the positive expenses of their manufacture, ten times as much as would establish and put into operation the arsenals and foundries which the government could build itself. Muskets which the contractors sold, on the average, for about \$22 apiece could have been made in national workshops for one-half that price.

One of the Congressional investigators, Representative Wallace, summarized his findings: "When we look at the manner in which our army and government have been defrauded by speculators, we must shrink from the idea of trusting to private contractors to furnish the necessary means for our national defense. Dependence upon private contractors for arms and munitions of war is too precarious and uncertain in all respects, as well as too costly, upon which to rest such an important and vital interest of the nation."<sup>4</sup>

Among the profiteering arms merchants of the Civil War was John Pierpont Morgan. Morgan was in his middle twenties when the war broke out, but he did not enlist or

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## MERCHANTS OF DEATH

shoulder a gun during the entire conflict. He had heard of the great lack of guns in the army and he decided to do his share in bringing relief.<sup>5</sup>

A few years previously the army had condemned as obsolete and dangerous some guns then in use, known as Hall's carbines. These guns were ordered sold at auction and they were disposed of at prices ranging between \$1 and \$2, probably as curios. In 1861 there still remained 5,000 of these condemned guns. Suddenly on May 28, 1861, one Arthur M. Eastman appeared and offered \$3 apiece for them. This high price should have made the officials suspicious, but apparently it did not. Back of Eastman was a certain Simon Stevens who was furnishing the cash for the transaction, but the real backer of the enterprise was J. P. Morgan.

After the condemned guns had been contracted for, Stevens sent a wire to General Frémont at St. Louis informing him that he had 5,000 new carbines in perfect condition. Did Frémont want them? Immediately an order (amounting to a contract) arrived from Frémont urging that the guns be sent at once. The guns were bought from the government and Morgan paid \$3.50 a piece for them, a total of \$17,486. These condemned carbines were now moved out of the government arsenal and sent to Frémont, and the bill presented was \$22 a piece—that is, \$109,912, a profit of \$92,426.

When Frémont's soldiers tried to fire these "new carbines in perfect condition," they shot off their own thumbs. Great indignation was roused by this transaction when it became known, and the government refused to pay Morgan's bill. Morgan promptly sued the government and his claim was referred to a special commission which was examining dis-

## SECOND-HAND DEATH

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puted claims and settling them.

This commission, curiously enough, did not reject the Morgan claim entirely and denounce him for his unscrupulous dealings. It allowed half of the claim and proposed to pay \$13.31 a carbine, that is, \$66,550.00 for the lot. This would have netted Morgan a profit of \$49,000. But Morgan was not satisfied. He had a "contract" from Frémont and he was determined to collect in full.

Accordingly he sued in Stevens' name in the Court of Claims—and the court promptly awarded him the full sum, because "a contract is sacred," a decision that was the opening wedge for hundreds of other "deadhorse claims" which Congress had tried to block. Of this affair Marcellus Hartley, who himself had brought over from Europe huge quantities of discarded arms and had sold them to the government at exorbitant prices, declared: "I think the worst thing this government has been swindled upon has been those confounded Hall's carbines; they have been elevated in price to \$22.50, I think."

These curious dealings, however, must not obscure the importance of the second-hand gun in the Civil War. Another indication of the extent of this traffic in a later period may be found in a notation from the *Army and Navy Journal* which records that, for the year 1906, \$1,000,000 was paid into the United States Treasury from the sale of obsolete and condemned government stores.

The largest of these used-arms dealers is probably Francis Bannerman & Sons of New York City. This extraordinary company got its start in 1865 after the Civil War, when it bought at auction sales large quantities of military goods. Its New York office at 501 Broadway is the finest military museum in New York City. Up the Hudson near

# IRON, BLOOD and PROFITS

## An Exposure of the WORLD-WIDE MUNITIONS RACKET

By

**GEORGE SELDES**

*Author of*

"YOU CAN'T PRINT THAT!"

"THE VATICAN: YESTERDAY—  
TODAY—TOMORROW," Etc.



HARPER & BROTHERS PUBLISHERS  
NEW YORK AND LONDON MCMXXXIV

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**THE PROFITS IN WAR-MAKING (AMERICAN) 227**

it is prepared to make the poison gases and chemicals of the next war.

Among the greatest financial houses founded on profits in the Civil War is that of Morgan.

In 1857 American army inspectors condemned as obsolete and dangerous a quantity of Hall's carbines, which the government then auctioned off at between one and two dollars each. In 1861 there were still some 5,000 of these rifles awaiting sale in the New York arsenal. A certain Mr. Arthur Eastman, of Manchester, New Hampshire, offered \$3 each for the lot, but the authorities asked more and finally compromised on \$3.50. Eastman, however, could not find the cash, but eventually obtained it from Simon Stevens. There are legal records showing that the man who supplied the money to Stevens was the original J. P. Morgan.

General Frémont, in St. Louis, was overjoyed when on August 5, 1861, he received a telegram from Stevens offering him 5,000 new carbines, in perfect condition. It meant everything to Frémont's command. He gave the order to purchase. J. P. Morgan thereupon paid over exactly \$17,486 to the New York authorities and shipped the guns to the Missouri authorities. The shipment went from arsenal to arsenal. General Frémont paid \$22 each for the condemned guns.

In 1862 a Congressional committee investigated the scandal which had made a small fortune for the twenty-four-year-old banker, J. P. Morgan. It was found that bribery was prevalent among officers in the Union Army. Major McKinstry, quartermaster at Frémont's headquarters, was court-martialed on sixty-one charges and fired out of the army. The Morgan incident in the Congressional committee report, which Gustavus Myers quotes in his *History of the Great American Fortunes* is summed up as follows:

"Thus the proposal actually was to sell to the government at \$22 each, 5,000 of its own arms, the intention being, if the offer was accepted, to obtain these arms from the government at \$3.50 each. . . . It is very evident that the very funds with which this purchase was effected were borrowed on the faith of the previous agreement to sell. The government not only sold one day

## IRON, BLOOD AND PROFITS

for \$17,486 arms which it had agreed the day before to repurchase for \$109,912—making a loss to the United States of \$92,426—but virtually furnishing the money to pay itself the \$17,486 which it received.”

The condemned rifles were so bad they shot off at least the thumbs of Union soldiers trying to use them. The government refused to pay. But Morgan pressed his claim. There is on record the suit, *J. Pierpont Morgan vs. the United States Government*, Case No. 97. The government offered to settle at \$13.31 each for the useless carbines and paid out \$55,550, which Morgan took “on account” and entered another suit in the Court of Claims for \$58,000 more. The honourable court ruled that General Frémont had made a contract, which contract bound the American government, and the fact that Morgan represented old, dangerous rifles as new could not enter the case, nor could the fact that the money paid for the guns in New York was really the government's money. A contract is a contract, as every student learns the first day he studies law. The court awarded Morgan and his associates the full amount of the claim. This episode, according to Myers, is the actual beginning of the Morgan business career.



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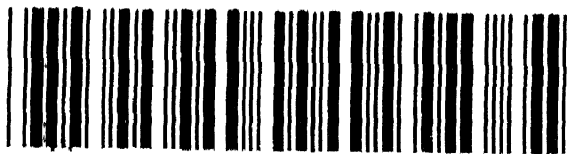
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